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STATE OF MONTANA

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DATA PROCESSING PLAN

FIRST EDITION

13 NOVEMBER 1981

PREPARED BY THE SRS DATA PROCESSING TASK FORCE

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DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DATA PROCESSING TASK FORCE

100   INTRODUCTION

The SRS Data Processing Task Force was reestablished by the Director on August 21, 1981, with the following members:

Ron Brown	Chairman
Bob Donaldson	RS/VS
Pete Surdock	Community Services
Doug Egan	Statistics
Jim Sveinson	Data Processing
Bill Ikard	Economic Assistance
Mike Muszkiewicz	Developmental Disabilities

The goal of this task force is to "Develop a long range (3 year) data processing plan for the department." Companion to this goal, two other goals are proposed for adoption by the department.

°   SRS Department Goal--Provide effective services delivery to those Monana citizens served.

°   <u>SRS Data Processing Goal</u>--Develop data processing
    systems to facilitate delivery of services.

The work of this task force is not completed. There is
a need to further develop a training program, producing
a handbook containing systems development policies and
procedures, and complete the list of data elements to
be standardized. Also, individual divisional DP plans
need to be reviewed and recommendations concerning them
submitted to the SRS Policy Group for consideration.

Policy development is an integral part of the
long-range DP plan, therefore, existing DP policies,
including Federal, State and SRS rules and regulations
were reviewed and are included in the appendix.
Recommended SRS policies are included as a part of this
plan in Section 400.

GS1/X

The following reflect the philosophical basis that this committee used in developing this plan. Like most philosophical structures, these principles contain redundancy and inconsistency. In employing them to specific situations or decisions, a balancing approach should be used.

1.   The Department's Approach to Data Processing is Pragmatic.

      Data Processing's function is to increase the effectiveness or efficiency of the organization. For a given task, automation will be chosen only if it is the better solution. Within the class of DP solutions we will resist dogma and the "gee whiz" glamour that often afflict DP and focus on the best solution for an application.

2.   The Department Will Use the Latest Proven DP Technology.

      When the job can be done better by adopting new technology we will acquire that new technology. We wish to have the most productive hardware and software. However, as the very newest products

are often not fully developed, we will prefer products that have proven themselves in the marketplace and represent mature technical advances. Conversely, we wish to discontinue use of obsolescent technology.

3. The Department Takes a Global View of Systems and Regards DP as but One Component of a Successful and Efficient Management System.

    Within this view, a system is all things which come together to produce a given result. In order for a global system to function well, all components must perform properly. Successful (i.e. productive) introduction of DP into this global system requires that components which interact with the DP component receive appropriate attention, including allocation of resources.

4. Data Processing can be Successfully Employed to Automate Only Basically Well Managed Manual Systems.

    If we automate an awkward, cumbersome manual system, we obtain an awkward, cumbersome DP system. Such an effort may exacerbate an already bad system. Inadequate management or administrative practices must be remedied before, or concurrent with automation.

5. The Department Should Employ In-House Development Whenever Possible.

    Out-of-house costs are at least double in-house development costs. In addition, valuable knowledge and working relationships, which are needed for ongoing operations are lost when the outside relationship is ended. Out-of-house services can serve as temporary supplements to in-house resources.

6. End Users are an Integral Part of Any DP Application or Development.

    DP is only supportive of the users' operations. Users determine the amount, nature and quality of DP support needed. Beyond this authority relationship, users must be active participants in the development and ongoing management of DP systems. In order to enhance the benefits of DP to themselves, users may need to perform functions traditionally performed by DP specialists.

7. The Department's Priorities Should Assure Equity to All Users.

In the past, DP resources have often been allocated arbitrarily to the needs of a few users. There are many legitimate demands on limited DP resources. These needs may involve legal requirements, dollar savings, management information or other needs. There must be a method of establishing priorities which does not have the effect of excluding any users or any legitimate need.

8. People are the Most Important Component of a Successful DP Application.

The successful development or operation of a DP application requires substantial inputs of human talents and skills. These inputs come from managers, DP professionals, line workers and others. DP planning must explicitly consider and provide for these human contributions. Through training, user manuals, and recruitment, we must assure that our staff has the needed skills, knowledge, attitudes, and philosophy to develop meaningful inputs.

9. DP Development is an Ongoing Process.

Most DP applications will require debugging and fine tuning after initial implementation. Failure

to allocate resources to these efforts will sub-
stantially reduce the efficiency of a DP applica-
tion and may eventually result in its failure. In
addition, information needs are in a constant
state of change. This requires regular and timely
review and updating of DP applications.

10. The Computer is Not Magic.

In olden days people believed in spirits (good and
bad) that employed magic to affect people's lives.
In modern organizations the belief in magic
persists. The modern possesor of magical
abilities is the computer rather than the spirits
of old. Then, as now, the belief in magic is
rooted in ignorance. The successful application of
DP technology requires knowledge, good management,
hard work, and full cooperation between all who
are involved in the automation process. A computer
may be described as a very fast and efficient
moron.

11. The Programs of this Department are Dynamic; DP
Technology Must be Equally Dynamic.

The rate of change within our programs is
increasing. More change is introduced by our

efforts to improve our management and administrative practices. DP Technology has become an indispensable part of our organization. As such it has the potential to enhance or retard organizational change and improvement. We will prefer developments which are quick to develop and quick to modify. System designs should anticipate change and evolution.

12. Planners of DP Systems Should Consider Murphy's Three Laws.

   I. Nothing is as easy as it looks.

   II. Everything will take longer and will cost more than you think it will.

   III. If anything can go wrong, it will.

GS1/Z

300   GOALS

301   <u>SRS GOAL</u>--Effective Delivery of Service to the Citizens
         of Montana.

         This is the perceived goal of the departmnt, the SRS
         Data Processing Goal being one of the many sub-goals.
         The SRS Data Processing Goal is the only sub-goal
         addressed in this report since it is the object of the
         study by the DP Task Force.

302   <u>SRS DATA PROCESSING GOALS</u>--

         °   Development of Automated Systems to Facilitate the
                Efficient Delivery of SRS Services to Montana
                Citizens.

         °   Provide Management Information Necessary to Assist
                in the Effective Management of SRS Programs.

GS1/V

400   OBJECTIVES AND RECOMMENDATIONS

401   OBJECTIVE--Establish Policies and Procedures for
        Preparing and Processing Requests for Data Processing
        Systems and Services.

        RECOMMENDATIONS--

        1.   Establish a Data Processing Steering Committee
             composed of members from each Division, chaired by
             a Division Administrator, and charged with the
             responsibilities and authority to:

             a.   Continue the work of the DP Task Force by
                  maintaining a current SRS Long Range Data
                  Processing Plan.

             b.   Review, approve, disapprove, or make recom-
                  mendations to the SRS Policy Group concerning
                  requests for data processing services,
                  hardware, and software for applicability,
                  appropriateness, and need based on the SRS DP
                  Plan and established policies.

             e.   Review information system problems/recommen-
                  dations and make recommendations for
                  resolution to the Policy Group.

d. Establish priorities for system development or modification requests or make recommendations to the Policy Group as the situation dictates.

2. That the SRS Policy Group (composed of the Director, Deputy Directors and Division Administrators) have the responsibility to:

a. Approve, disapprove, or modify all SRS DP policies.

b. Review, approve, disapprove, or modify recommendations from the DP Steering Committee for development or acquisition of new DP Systems, hardware, and software*. Only those systems and hardware or software items requiring a significant investment in dollars or time, or over which a controversy has developed between the requestor and the Steering Committee, should be referred to the Policy Group.

* Software is defined as operating systems and utilities necessary to efficiently and effectively operate the computer (hardware). It does not apply to computer programs that are a part of a DP System.

c.   That priorities for development or modification to a system be set by the Policy Group when requested by the DP Steering Committee or a requestor who is dissatisfied with the Steering Committee's decision.

3.   That once a DP system, or modification to an existing system has been approved, the hardware and software necessary to implement the system shall require no additional approval action within SRS. However, if major changes to the hardware or software requirements are occassioned by modifications to the system during its development, approval of the hardware/software changes by the Steering Committee and Policy Group, as appropriate, shall be required.

4.   That a handbook for Data Processing Users be developed by the DP Steering Committee by January 1, 1982. This handbook should contain specific criteria, policies, and procedures for developing and submitting a request for DP Systems and services. Also, the responsibilities of the requestor regarding system development, implementation and operation processes should be set forth.

5. That the Data Processing Bureau shall be responsible, with the concurrence and assistance of the appropriate program manager, to negotiate and supervise all DP systems contracts (development or maintenance), regardless of the source of funding. The Data Processing Bureau shall assist the requestor in obtaining the outside contract services necessary to assure timely development of systems which exceed the capability of the SRS DP staff.

6. That the Data Processing Bureau shall be responsible to prepare, with the assistance of the affected program manager(s), and submit advanced Data Processing (ADP) Plans to the Federal Government, when required.

7. That the Data Processing Bureau be responsible for coordination and obtaining necessary approvals from the State DP Coordinator and the Department of Administration and other departments as necessary.

402 OBJECTIVE--Establish and Maintain an SRS Data Processing Plan Based on Division Data Processing Plans

RECOMMENDATIONS--

1. That each division establish a one year minimum DP
    Plan to identify DP systems necessary to satisfy
    their informations needs. To accomplish this,
    each division would review its activities and
    identify functions which can be automated
    resulting in saving of staff time or money while
    maintaining, as a minimum, the quality of service
    delivery currently experienced by manual opera-
    tions. This plan is to be furnished the DP
    Steering Committee by February 1, 1982.

2. That each division update their plan annually by
    June 1 each year and furnish updates to the DP
    Steering Committee (this update would also extend
    the plan one fiscal year).

3. That the Data Processing Bureau furnish the DP
    Steering Committee an initial report, by
    January 15, 1982 and by June 30 each year
    thereafter, identifying significant accomplish-
    ments in the area of system development, modifica-
    tions, etc, and the status of each project under
    development. Also, this report should, based on
    requests currently being worked on and those
    pending, project availability of development staff
    time over the next year.

4. That the DP Steering Committee review updated division plans and the DP Bureau annual reports and provide and updated SRS DP Plan to the Policy Group by August 15 each year.

403   OBJECTIVE--To Assure Data Processing Systems are Responsive to the User's Information Needs at All Organizational Levels

RECOMMENDATIONS--

1. That the following performance standards be a part of the system specifications for all new systems. For this purpose, a "system" comprises the entire process from creation of data to disposition of outputs which includes manual as well as automated processes and involves both program and DP Bureau activities.

    a. Simple reports involving only selection, listing, and summarization shall be produced within 48 hours of the request.

    b. Detail data about individual cases or transactions shall be available to the line worker within minutes. This may be either a manual or automated process.

c. Complex reports that require elaborate selection, computation or data transformation must be available within 5 work days of request.

d. Requests that involve minor file modification, such as adding a data element or changing codes of an existing data element must be programmed and tested within 30 days. Gathering and entering the changed data may take longer.

e. Major system changes that involve large additions, changes to file structure or basic processing procedures should be accomplished within 90 days of receipt of the request by the DP staff.

f. For needs that require data that is not recorded in a DP system, there shall be a capability of gathering and reporting the data within 30 days using alternative methods, i.e., statistical sampling.

g. The above standards shall be met for 80% of the requests and assumes that all required actions have been taken by the requestor prior to submitting the request.

2.   That the following criteria be used when determin-
     ing whether a system should be on-line, batch, or
     a combination on-line/batch.

     a.   System development time;

     b.   System development and operational costs;

     c.   System inputs and volume;

     d.   System outputs and reporting requirements;

     e.   Data collection method;

     f.   Update requirements;

     g.   Timely access to information;

     h.   Privacy and security controls/requirements;

     i.   On-line response time;

     j.   Turnaround time;

     k.   System volatility;

l.   Life expectancy;

m.   Backup/recovery time;

n.   Availability and maintenance of equipment;

o.   Efficient use of staff and staff time trade-
offs.

3.   That DP systems be written so as to utilize only
those software languages which the Department
supports and for which the Department can provide
technical backup. The use of all other software
languages should be for "one-time" applications
and justified by exceptional conditions according
to the criteria established by the DP Steering
Committee.

4.   That insofar as is practical, all new systems be
as user friendly as possible. See Appendix "A"
for further discussion of "user friendly".

404   OBJECTIVE--Standardizing Some Data Elements to Facili-
tate Interface Between Systems, Information Retrieval,
and System Design.

RECOMMENDATIONS--

1. That all new systems use standardized data elements insofar as is practical.

2. That a DP Steering Sub-Committee be appointed to develop a list of standard data elements for approval of the full committee. This list should be completed by December 1, 1981 and included in the user's handbook.

405   OBJECTIVE--To avoid System Duplication.

RECOMMENDATIONS--

1. That the inventory of SRS Data Processing Systems listed in Section 600 be updated monthly.

2. That as new systems are requested, they be compared to the current inventory to avoid duplication.

3. That the Director of SRS request that a statewide inventory of data processing systems existing in Montana State Government agencies be developed by the State DP Management Group by June 30, 1982, and be made available for use by all State agencies.

406   OBJECTIVE--To Use the Computer to Maximize the Efficient and Effective Utilization of Staff Time and to Reduce Costs.

RECOMMENDATION--

That it be the policy of this Department that Administrators, Bureau Chiefs, and other management staff shall creatively explore and implement appropriate use of more efficient and less costly automated computer systems to replace manual systems.

407   OBJECTIVE--To Assure All DP Systems Are Current and Relevant.

RECOMMENDATION--

Establish as agency policy that all automated computer systems be reviewed by program and data processing staff on a periodic basis (minimally once a year) to assure they are relevant, current, and responsive to current program need.

This requirement should be divided into two parts. 1) DP should review for the latest changes in technology and 2) Programs should review for requirement changes. This does not infer that changes would not be made as necessary on an ongoing basis, only that such a review is required and should be formalized by policy.

408   <u>OBJECTIVE</u>--To Assure That Each Data Processing System Is Adequately Documented.

RECOMMENDATIONS--

1. That System documentation be developed for each computer system in accordance with standards established by the data processing steering committee. (See Appendix "A" for more on documentation.)

2. That all documentation be reviewed by the Data Processing Bureau to assure the standards are met.

3. That one complete copy of each system documentation shall be filed in the Data Processing Bureau, regardless of who developed the system.

4. All changes as a result of maintenance or modifications to existing systems shall be documented and included with the original system documentation.

409   <u>OBJECTIVE</u>--To Provide Data Processing Training To SRS Staff At All Organizational Levels.

RECOMMENDATIONS--

1. That the data processing training program for
    regular and ongoing training be developed by Staff
    Development and reviewed for content and approval
    by the Data Processing Steering Committee prior to
    implementation by February 15, 1982.

2. That the Data Processing Steering Committee
    conduct periodic reviews of the training package
    content for relevancy and appropriateness. (See
    Appendix "A" for more on training.)

410   OBJECTIVE--To provide Adequate Security For Information
Contained In Computer Systems.

RECOMMENDATIONS--

1. That the degree of security be commensurate with
    the sensitivity of the data in each system and be
    in conformity to State or Federal law, Department
    Rules, and the respective Division rules on
    confidentiality.

2. All systems shall limit access to prevent
    unauthorized data manipulation. (See Appendix "A"
    for more on system security.)

GS1/W

Hardware - is defined as physical equipment, as opposed to the computer program or method of use, for example, mechanical, magnetic, electrical, or electronic devices.

Software - is a set of programs, procedures, and possibly associated documentation concerned with the operation of a data processing system. For example, compilers, library routines, manuals, circuit diagrams. For the purpose of this discussion, software is limited to operating systems, utilities, etc., not specific DP system programs.

Maintenance - That which is necessary to keep the system operating in its present form, including debugging, restoration of files, correction of programs causing the system to abend, production recovery, etc.

Ad Hoc Reports - Those "one-time" reports necessary to satisfy a specific (primarily program) need for which documentation is of little importance and retention of the program(s) creating the report is of a short time period. Also, these reports do not require any changes or modifications to existing systems, programs or files.

Minor Changes/Modifications to Existing DP Systems   -
Those changes which require less than 100 DP person
hours to complete. They can be caused by requirements
being changed, to provide for an unforeseen
requirement, to add or reduce the systems' dimensions,
etc. The key here is the length of time it takes to
make the change.

Major Changes/Modifications to Existing DP Systems   -
Those changes requiring more than 100 DP person hours
to make. These may be caused by the same forces as
minor changes/modifications. Oftentimes, major changes
significantly change the scope and size of the system
being changed. The terms "changes" and "modifications"
are interchangeable (synonymous) and include terms such
as "enhancements", "rewrites", etc.

Development of New Systems - The design, development,
installation, and operation of a DP system which does
not now exist within the department. This may also
include modifying systems developed by other depart-
ments or purchased from a commercial vendor.

Data Entry - The physical act of converting data into a
format acceptable to a computer system. This may
either be "batch", which is accomplished in house by
the DP Bureau Data Entry Section (key to diskette), or

by contract with the Department of Administration or other data entry service, or "on-line" via CRT. "On-line" data entry shall be the responsibility of the user, not the DP Bureau.

GS1/Y

EXISTING SYSTEMS

DIRECTOR'S OFFICE

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Personnel	Personnel Performance Appraisal Monitoring System	Maintains identifying and posi- tion control information on all employees of the department. Tracks employee appraisals and pre-appraisals. Batch	Departmentwide	State Auditor's	Management control	SRS Data Pro- cessing/D of A computer	
Personnel	Leave Acccount- ing System	Maintains information on earned and used sick and vacation time for all employees of the Depart- ment. Batch	Departmentwide	State Auditor's control	Management control	Personnel/ System 32	

600-2

EXISTING SYSTEMS

CENTRALIZED SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	SYSTEM FUNCTIONS	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Data Processing	Supplies Monitoring System (SIM)	Maintains supplies inventories. Batch	Presently DP supplies only		Legislative Audit	SRS Data Processing/D of A computer	
Data Processing	SRS Computer Billing (BIL)	Maintains information on computer charges from D of A and allocates charges to various SRS programs. Batch	Fiscal/All SRS divisions with computer charges	D of A Computer Services Division Billing System	Management control/ Cost Allocation	D of A Data Processing/D of A computer	
Data Processing	Project Control 70 (PC/70)	Maintains positive Time Reporting on all SRS DP projects - accounts for: Personnel resources, Critical Project progress, Project Accounting. Also maintains time reporting for SRS Audit staff. Batch	Audit P.C./ Economic Assistance		Management control Cost Allocation	SRS data entry and clerical/ D of A computer	Installed for EA, not currently operational
Data Processing	Systems and Program Register	Maintains inventory of all Department systems utilizing DP resources and the computer programs belonging to each system. Batch			Management control	Maintenance not required/ D of A computer	
Data Processing	Data Entry Statistics	Maintains an account of data entry key strokes by job and responsibility center. Batch	Fiscal		Management control Cost Allocation	SRS Data Processing/D of A computer	

600-3

EXISTING SYSTEMS

CENTRALIZED SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Fiscal	Children's Trust Accounts	Manually tracks income and dispersals of funds for trust accounts of children in foster care. System 32 provides total account balance and disperses interest. Batch	Social Services	SBAS Foster Care Payment System/ Accounts Receivable	Management Control	Fiscal/System 32	Use of automated system discontinued 9/81
Fiscal	Foster Care Payment System	Maintains information on children placed in foster care and generates monthly payments to providers. Batch	Social Services	SBAS/Accounts Receivable	Generates payment/tracks children	SRS Data Processing/D of A computer	Needs to be rewritten and documented.
Fiscal	Day Care Payment System	Maintains information on children in day care and generates monthly payments to providers. Batch	Economic Assistance/ Social Services	SBAS/Accounts Receivable	Generates payments to day care providers	SRS Data Processing/D of A computer	Needs to be rewritten and documented.
Fiscal	First Checks	Maintains information on first AFDC checks written by counties prior to entry on MIMS. On-line.	Economic Assistance	SBAS/MIMS/ County Billing	Management and fund control	Fiscal/D of A computer	
Fiscal	Daily Check Log	Maintains information on cash receipts received by Fiscal.	Fiscal		Management control/ Legislative Audit	Statistics/ System 32	
Fiscal	Accounts Receivable	Generates management reports and delinquent payment letters for overpayments in: AFDC, Food Stamps, Medicaid. Batch	Dept. Revenue/ Audit/EA	MIMS	Management control	Fiscal and Statistics/ System 32	Proposed for conversion to SRS computer.

600-4

EXISTING SYSTEMS

CENTRALIZED SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	SYSTEM FUNCTIONS	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
General Services	Property Accounting System (PAS)	Maintains an inventory of all department assets with value of more than $25.	Departmentwide		Legislative Audit	SRS Data Processing/SRS computer	External design in progress.
Statistics	AFDC COMP	Maintains information on AFDC cases for generation of monthly statistics.	Fiscal/Economic Assistance/ Quality Control/ General Public	MIMS First checks	Federal Reports	Statistics/ System 32/D of A computer	Transfer to D of A computer. Small task.
Statistics	Medicaid Quality Control	System 32 maintains Medicaid eligibility & claims information. D of A computer stores federal reports.	Audit/EA	MMIS	Federal Report	Statistics/ System 32/D of A computer	Transfer to D of A computer. Moderate task.
Statistics	Quality Control Samples	Generates samples for QC reviews and performs statistical analysis of reviews for AFDC, food stamps, and Medicaid.	Economic Assistance/	MIMS/MMIS	Federal Report	Statistics/D of A computer	
Statistics	Nursing Home Quarterly	Maintains information on claims paid to nursing homes under Medicaid.	Economic Assistance	MMIS	Management	Statistics/D of A computer	
Statistics	SRS Bulletin	Formats data from the following sources to produce the monthly statistical bulletin: Day Care, Medical, Foster Care GA county manual reports AFDC and food stamps.	Departmentwide/ General Public	Day Care Payment/Foster Care/Payment/ AFDC Comp/MMIS/ GA & Food Stamp county reports	Management control/ Public Information	Statistics/D of A computer	

EXISTING SYSTEMS

CENTRALIZED SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	SYSTEM FUNCTIONS	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Statistics	Spouse Abuse	Maintains information on instances of spouse abuse from various sources so that monthly statistics can be generated.	Social Services		State Law	Statistics/ System 32	To be transferred
Statistics	32 Labels	Maintains information to generate mailing labels for the monthly statistical bulletin.	Departmentwide/ General Public		Management efficiency	Statistics/ System 32	Use of another label program to be investigated.
Statistics	Time Study	Maintains lists of social workers and eligibility technicians whose time must be cost allocated. Provides: sampling of workers, schedule of calls, percentage allocations by funding source.	Fiscal/EA/ Community Services	Payroll File	Cost Allocation	Statistics/D of A computer	Will be expanded and revised.
Statistics	Fulltime equivalent Eligibility Technicians	Maintains the number of Eligibility Technicians and the number of food stamp, AFDC and Medicaid recipients per county by quarter.	EA	MMIS/SRS Bulletin/Payroll File	Management control	Statistics/ System 32	To be transferred to D of A computer.
Statistics	T-number	Creates a list of AFDC recipients without social security numbers for each county office.	EA	MIMS	Quality control regulations	Statistics/D of A computer	Under review for need.
Statistics	Foster Care	Maintains information on children in foster care so that monthly reports on the numbers of children by types of care and district can be generated.	Social Services	Foster Care Payment File	Management Control	Statistics/D of A computer	

EXISTING SYSTEMS

CENTRALIZED SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	SYSTEM FUNCTIONS	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Statistics	Survey Analysis	Maintains packaged programs for analyzing various types of SRS surveys.	Departmentwide	AFDC Caseload characteristics	Management Information	Statistics/D of A computer	
Statistics	AFDC Caseload Characteristics	Maintains information on AFDC cases so that changes in composition and size of the AFDC caseload can be analyzed.	EA/Quality Control/ Director's Office	MIMS	Management Information	Statistics/D of A computer	
Statistics	Dikewood Paid Claims	Maintains programs to be applied against the Dikewood paid claims file to generate management reports.	Audit/HHS auditors/ Legislative auditors.	MMIS	Management Information	Statistics/D of A	
Statistics	Report Log	To maintain an inventory of scheduled reports and other requests to be completed by Statistics Bureau each month.			Management control	Statistics/ System 32	
Statistics	AFDC Quality Control	Maintains information on AFDC cases undergoing a quality control review and formats required federal report.	Audit/EA	MIMS	Management efficiency	Statistics/D of A computer	
Word Processing	Telephone List	Maintains information on SRS state office employees and allows generation of alphabetic lists including telephone numbers.	All divisions state and district offices	State Auditor's Payroll file	Efficiency	Word Processing/ System 32	
Word Processing	Word Processing Log	Maintains information on activities of word processing unit.			Management control Cost Allocation	Word Processing/ System 32	

COMMUNITY SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Social Services	ACE	Maintains information on clients served by staff of Community Services Division for Title XX federal reports.	Statistics, Management Operations auditors-federal and state		Federal Regulations. Management information	SRS Data Processing/D of A. Management computer	cessing/D of A
Social Services	Interstate Placement Management System	Maintains information on children placed in foster care in Montana or outside of Montana under interstate placement agreements.	Management & Operations		Management Information ICPA Assoc.	Community Services/ TSO library	
Social Services	Foster Care Management System	Maintains information on children in foster care for statistical reporting and reminder notices.	Statistics, Management Operations, Budget & Contracts, auditors-federal and state	Foster Care Payment System	Federal Regulations. Legislative Audit	Social Services/ TSO library	Being redesigned

600-8

EXISTING SYSTEMS

DEVELOPMENTAL DISABILITIES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Developmental Disabilities	Developmental Disabilities	Maintains information from monthly invoices submitted to DD and generates preprinted invoices. Information used for Title XX federal reporting.		Title XX	Federal Regulations	Developmental Disabilities/ Statistics/ System 32	Developmental Disabilities will be integrated with the Title XX Invoicing System.

EXISTING SYSTEMS

ECONOMIC ASSISTANCE DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Medicaid	Montana Medicaid Management Information System (MMIS)	Maintains information on all claims paid under the Medicaid program by the fiscal intermediary and generates payments.	Audit/ Statistics/ Director's Office	MIMS	Legislative Audit/Federal Regulations/ State Law	Dikewood/SRS Data Processing	Transfer to new system not completed yet.
AFDC and Medicaid	Montana Income Maintenance System (MIMS)	Collects, analyzes and provides eligibility information for AFDC checks.	Audit/ Statistics/ Director's Office.	MMIS	Federal Regulations/Program Management	SRS Data Processing/D of A computer	To be redefined ISD proposal excessive
LIEAP.	Eligibility Reporting System	Records and reports on eligibility information regarding Low Income Energy Assistance Program			Federal Regulations, Program Management	D of A computer	Rewrite in progress. Dept. of Commerce is operating current system until rewrite is completed.

EXISTING SYSTEMS

REHABILITATIVE SERVICES DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Rehabilitative Services	R-300/E&E	Maintains information on staff, clients, and encumbrances and expenditures.	Fiscal/Visual	SBAS	Federal Regulations/Legislative Audit	SRS Data Processing/D of A computer	Title XX reporting system will be integrated into this sytem.

EXISTING SYSTEMS

VETERANS' AFFAIRS DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Veterans' Affairs	Veterans Services	Maintains information on all persons who receive benefits from Veterans' Affairs Division.			Legislative mandate	SRS Data Processing/Private contract.	

SYSTEMS IN DEVELOPMENT

DIRECTOR'S OFFICE

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Director's Office	Title XX Invoicing System (TIS)	Maintains information on clients receiving Title XX contract services. Writes warrants and maintains information on expenditures by funding source.	Community Services/ Developmental Disabilities/ Fiscal	R-300/E&E/SBAS	Federal Regulations/Legislative Audit	Private Contract/ SRS Data Processing/D of A computer	Anticipated implementation 2/1/82.

SYSTEMS IN DEVELOPMENT

ECONOMIC ASSISTANCE DIVISION

RESPONSIBLE PROGRAM	SYSTEM TITLE	S Y S T E M F U N C T I O N S	OTHER PROGRAMS WHO UTILIZE	OTHER SYSTEMS INTERFACED	MANDATE OR REQUIREMENT	MAINTENANCE/ DEVELOPMENT UNIT	REMARKS
Economic Assistance	Montana Income Maintenance System (MMIS)	To replace the current MMIS system.	Audit/ Statistics/ Director's Office	MMIS	Legislative Audit	Contract with information Systems Division/D of A computer.	Requirements definition received October, 1981

600-13

The Automated Information Needs outlined below are those for which sufficient information is available to specifically address at this time.

Additional information needs will be available in greater detail when the Division Data Processing Plans are received, reviewed, and prioritized.

Most of the information needs listed are of a short-term nature, but will occupy the DP Bureau system development resources at least until June 30, 1982.

1. Maintain those automated systems presently in operation. This includes production recovery and those changes needed to continue operation in the system's current configuration.

2. Complete those requests for systems modification, new systems, etc., for which commitments have been made. Requests received after approval of this plan shall be reviewed by the DP Steering Committee for assignment of a priority, unless the number of requests do not exceed the DP Bureau's projected resources. The requests presently in the DP Bureau are primarily for modifications to the R-300/E&E and MIM systems and completion of the Title XX system.

A complete review of these systems and their related requests is essential to assure that only that work absolutely necessary to accomplish the system's purposes is performed. The R-300/E&E system is currently undergoing such a review and a Project Director for the Title XX system is now on board.

3. Remove those DP systems currently operating on the System 32 by June 30, 1981, and dispose of the System 32 by July 31, 1982.

The System 32 utilizes RPG II as its program language which cannot be supported by the DP staff. A recommendation that we utilize only languages supportable by the DP staff is contained in Section 405.

The System 32 is physically located in the Word Processing Center and approximately .5 WP operator FTE is required to operate the systems located thereon. This detracts from the WP capabilities and does not represent effective use of WP staff.

In addition to making all SRS DP systems supportable by the DP Bureau staff, this action will reduce software rental and maintenance costs of the System 32 by $3,600 per year.

Systems presently on the System 32 and their disposition are outlined below.

°   ACCOUNTS RECEIVABLE SYSTEM --

This system is designed to track amounts owed the department by nursing homes, AFDC and food stamp recipients, foster care/day care providers, etc. When rewritten, some modifications need to be made to make it a more usable tool for managing our financial resources.

°   EMPLOYEE LEAVE ACCOUNT SYSTEM --

The system needs only to be rewritten in a supportable language. No changes are to be made. Also, this system will be necessary only until the Statewide Leave Accounting/ Payroll/Personnel System is installed.

°   DAILY CHECK LOG --

This system records all checks received by the Fiscal Bureau and produces daily and monthly listings for audit trail purposes. This would be a straight conversion with no known changes.

°   WORD PROCESSING PRODUCTION DATA --

        The system calculates and reports the number
of lines and pages, by user, produced by the
WP Section. These data are used for allocat-
ing this operation's costs as indirect costs.

°   SRS TELEPHONE ALPHABETICAL LISTING --

        This system is driven by the payroll extract
used to update the Leave Accounting System
and by manual inputs of telephone number
changes. It produces an alphabetical listing
of all SRS employees, location, and telephone
number. This, too, would be a straight-
forward conversion effort.

°   DEVELOPMENTAL   DISABILITIES   INVOICING
SYSTEM --

        This system will no longer be required after
implementation of the Title XX system.
Therefore, no conversion effort is required.

°   CHILDRENS' TRUST ACCOUNTS --

This system has never achieved its intended goal, therefore, a manual backup system has also been maintained. This system is no longer used; however, a requirement for automating the manual system still exists. This automation will be in the form of a "new system development request" and will be included in the Centralized Services Division Data Processing Plan.

4.   Rewrite the MIM System--This project has not had its goals and objectives defined. Because this project could consume a significant amount of DP staff hours over a prolonged period of time, its goals and objectives are essential if a meaningful SRS DP Plan is to be formulated. Specific goals and objectives should be developed for this project by February 1, 1982.

5.   Low Income Energy Assistance Program System--This program, inherited from DCA July 1, 1981, requires the development of an automated system to deliver, track, and pay for this service. Like the MIMS, specific goals and objectives need to be developed so that the amount of resources required may be

estimated. This will then allow a decision as to whether in- or out-of-house development is appropriate and if developed in-house, its effect on other information needs.

6. Montana Medicaid Information System (MIMS) Feasibility Study--

    The MMIS is currently operated by the Hancock/ Dikewood Corporation, the contracted fiscal agent. Past experience with the contractor indicates that a feasibility study to bring the MMIS in-house may be appropriate. Because of size and complexity of this system, a significant amount of planning and lead time would be required if it were to be brought in-house. Also, for the above-stated reasons, in-house development with our present development staff would be impossible. However, the effect on other systems must also be considered in terms of demands on DP staff time.

GS1/AA

APPENDICES

ADDITIONAL INFORMATION RELATING TO

OBJECTIVES AND RECOMMENDATIONS

401   OBJECTIVE--Establish Policies and Procedures for Preparing and Processing Requests for DP Systems and Services.

The need to have a standing committee to address DP issues and requests for services cannot be overemphasized. This committee would screen all requests for new systems and system modifications and develop policies and procedures relating to Data Processing. Only policy and major new systems and modifications or those over which there is controversy would be referred to the Policy Group. This would significantly reduce the number of items requiring the time of the Policy Group.

This Steering Committee would meet at least monthly or more often if necessary to review requests and develop DP policy. Having each division represented will also serve to enhance intra-departmental communications concerning DP matters which is in need of considerable improvement.

The task of deciding which project to do first, particularly when the number of requests exceeds the number of DP Bureau development staff hours, will be the responsibility of the Steering Committee or Policy Group rather than the DP Bureau Chief.

Requests would be submitted to the DP Bureau for an estimate of the number of hours necessary to complete the project. The DP Bureau will then forward them to the Steering Committee Chairperson for presentation to the Steering Committee. The Steering Committee would then disapprove and return the request to the originator, or approve the request and assign a priority. These procedures will be further defined and included in the "User Handbook".

402   OBJECTIVE--Establish and Maintain an SRS Data Processing Plan Based on Division Data Processing Plans.

In order to determine specific management information needs, two basic questions must be answered.:

°   What are or should we now be doing?

°   What information do we need to do the job effectively and efficiently?

These questions must be answered by program managers, at least in general terms. Data processing staff are available to assist in answering these questions, but only in an advisory capacity relative to the how of determining needs (Requirements Definitions).

403   <u>OBJECTIVE</u>--To Assure Data Processing Systems are Responsive to the Users Information Needs at all Organizational Levels.

System Flexibility and Responsiveness to User Needs.

Data Processing systems must be responsive to user information needs at the various levels within the organization. These information needs deal with decision making, planning, program monitoring and management, etc., therefore, the degree of detail and frequency necessary for each function and organizational level will vary widely. The line worker may need detailed lists of individual recipients. Upper management levels need summarization. There are many other qualitative differences in the kinds of information needed by each level of management. DP systems development must explicitly acknowledge these levels and provide capabilities for providing the needed information to each level.

The practice of management is dynamic. The problems that we face today are not those of last year or even last month. They are largely unpredictable. Often the problems and decisions faced are the result of outside elements such as changing laws or emerging social issues. Yet, with this lack of certainty about the future, current DP system design methodology requires rigid specification of output requirements (i.e., future information needs). This problem cannot be overcome with more comprehensive specifications of output requirements which would result in the gathering and output of huge amounts of data which "might" be needed. Beyond the costs of this approach, the very bulk of the outputs would frustrate the manager's search for information to manage the program.

To meet this objective, the department needs to assure futuristic planning, anticipation of need, and prompt response to staffing, equipment, and training needs as they pertain to data processing. In addition, this objective necessitates the establishment of an ongoing interfacing/communicating mechanism that assures open, frank, and informed exchange of information. This can only be achieved through the establishment of a committee composed of members representing each SRS Division and charged with the responsibility and authority to plan, establish and modify the SRS Data

Processing Plan; and to review DP system needs of all kinds for applicability and appropriateness in view of the SRS Data Processing Plan.

Batch vs On-Line Systems

On-line is defined as 1) pertaining to equipment or devices under control of the central processsing unit, 2) pertaining to a user's ability to interact with a computer.

An on-line system in teleprocessing, is a system in which the input data enters the computer directly from the point of origin or in which output data is transmitted directly to where it is used.

Teleprocessing is the processing of data that is received from or sent to remote locations by way of telecommunication lines.

Batch processing is defined as 1) pertaining to the technique of executing a set of computer programs such that each is completed before the next program of the set is started, 2) pertaining to the sequential input of computer programs or data.

Typically, on-line systems require more justification than a batch system due to the increased costs associated with development and on-going operational costs.

When determining the merits on an on-line system vs a batch system consideration should be given to the following areas:

- System development time
- System inputs and volume
- System outputs and reporting requirements
- Data collection method
- Update requirements
- Timely access to information
- Privacy and security controls/requirements
- System development and operational costs
- On-line response time
- Turnaround time
- System volatility
- Life expectancy
- Backup/recovery time
- Availability & maintenance of equipment

There are systems which are a combination on-line/ batch. MIMS is an example - it is basically a batch system with on-line inquiry capabilities.

Decision making systems should be designed to be user friendly.

Systems need to be built with the recognition that this agency requires employees to be familiar with several hundred pages of regulations. We do have a high turnover and we also are forced to change regulations frequently. User friendly systems require that the policy be established, tested, and evaluated in terms of the needs of our clients and line workers.

A user friendly system takes into account that every worker does not have access to comprehensive training in all aspects of a program and also that some workers do not have quick access to a supervisor.

User friendly systems take a very complicated decision and break it down into manageable pieces.

On-line updates whether to the host computer or done on a smart terminal should have built in edit capabilities which are designed to encourage the operator to give the correct answer. Edits of alpha vs numerical data, lengths of fields, etc. should be developed by Data Processing and edits of policy should be developed by

program policy staff. For example, if the operator punches "yes" to a certain question, the computer in a user friendly system will automatically make a decision as to whether or not the next question needs an answer. The system should be set up to omit the questions which apply to some cases but not to the case in question.

User friendly systems require much more communication between the user and the system than has been the case in conventionally designed systems.

They are not as valuable if you are using the system to only store data but if you desire the system to aid in the decision making process they strongly encourage the correct decisions and discourage errors.

User friendly systems take advantage of the fact that computer hardware is rapidly going down in price whereas the luxury of having a line worker spend several hours researching a problem is rapidly increasing in cost both from a labor standpoint and a potentially wrong decision causing an expensive error.

Computers are thought of as "big brothers" and very impersonal by many users but by developing friendly systems we can combat this notion and give workers more time to work with clients and less time filing our

paperwork. User friendly systems do not need to be big, they can accomplish a task which must be very accountable such as getting money to a client with a high degree of accountability much faster than the old type system and assure greater accuracy by requiring the worker to give the proper answer to each necessary question while eliminating the unnecessary question.

Frequently, in the past, systems required the worker to fill in the blanks but accepted whatever was entered. This caused much "garbage in/garbage out". The user friendly systems require a lot more thought and logic in the development process but if built correctly eliminate much of the bad data problem that has haunted systems in the past.

User friendly systems use psychology rather than bureaucracy by being polite, courteous, and helpful. Just as it has been proven that workers respond better to friendly co-workers and helpful supervisors rather than overly official type personnel, the same holds true with systems.

In the past, systems often demanded, "Give me the correct answer", and often got a guess for an answer whereas in the user friendly concept you must give the line worker the tools to make the correct decision and give the process much more thought.

The discussion of this subject has been primarily aimed at field workers, it equally applies to all levels in the organization.

While "user friendly" may be a valid objective of a DP system, forces such as standardization and efficiency may work against achieving optimum friendliness in a system. A true "user friendly" system is generally an "on-line" system.

User friendly systems cannot be designed unless policy staff are able and willing to define policy into very simple determinations, since policy must be decided in the field based on these small pieces of information rather than the more global concept which historically was made available to the line worker. The user friendly system requires some reeducation of some policy makers.

User friendly systems normally require user input rather than operator input. This means that you are often using a higher paid employee to enter data but by having the entry be an interactive process you are increasing the knowledge skills of your worker. This enables the worker to improve their interview skills as if the worker knows the computer will require a special answer when the client answers a question the worker

will then learn only to ask clients the needed pertinent questions.

This process is especially valuable when you have new policy, worker turnover, or a situation which occurs very seldom in a particular county. It also helps insure that clients do not have to make repeated visits to the office to add new pieces of information.

404   OBJECTIVE--Standardizing Some Data Elements To Facilitate Interface Between Systems, Information Retrieval and Systems Design.

Data elements are individual items of information that comprise a computer records such as ID number, rate of pay amount, etc. Currently, each DP application can uniquely establish the content, meaning, and physical characteristics of these data elements. For example, birth date may be recorded as 032863 on one file, 630328 on another, and MAR281963 on another file. This generates several inefficiencies in the DP process.

The benefits of standardization would be:

1.   increased efficiency in programming, system design and output. This would occur because less research would be needed and because tables and program segments could be borrowed from other jobs.

2. a standard ID number would allow interface and exchange of data with other systems. Standardization of other data elements would allow general purpose programs to serve several systems. For example, standard addresses could be fed to a program which generates address labels.

A survey of current and proposed systems would have to be conducted to determine those data elements used by more than one system. The following are some common elements: address, name, county, dates, dollar amounts, vendor ID numbers, disability identifier, worker number, race, sex, property ID, welfare category, etc.

To be standardized would be data element length (i.e., 6 characters for dates, 9 for zipcode etc.), type (alpha, numeric, packed), and content (i.e., for county 1 = Beaverhead and 56 = Yellowstone).

Data elements unique to a system would not be standardized, for example foster care custody. The standards policy would provide other exemptions and procedures for deviation.

Standards would be set to conform with federal or state laws and rules, established practices and efficiency of data entry and programming.

A sub-task force, chaired by Doug Egan has been appointed to develop a list of common data elements and their attributes.

405   OBJECTIVE--Avoid Systems Duplication

The department should make effective use of existing systems and programs to avoid duplication.

The multiple use of existing systems should not, however, create a difficult or unmanagable system to operate, maintain or understand and use by a user.

The department should review the use of data base and shared data files. Repetition or duplication of data capture and on-line storage of common data should be avoided.

The merits of data base (if any) vs the maintenance of several files containing some of the same data elements (provided the data elements are standardized) would be some of the criteria used in evaluating the type of system to be developed. Some duplication may not be bad if it promotes simplification and efficiency or reduces costs.

406   <u>OBJECTIVE</u>--To Use the Computer to Maximize the Efficient and Effective Utilization of Staff Time and to Reduce Costs

A primary purpose/objective in any management system, but specifically in DP Systems is the efficient use of staff. Today's demands on SRS staff and the mandate at both Federal and State levels as well as good management principals requires that the skills and talents of staff be used in the most effective and efficient manner possible. This mandates that cheaper and faster ways be identified and utilized for task accomplishment.

This later concept also encourages the maximum utilization of the computer for a variety of purposes.

The SRS Data Processing System needs to facilitate and encourage the development of DP systems which remove from staff, tasks that are more easily and accurately done by machine. The <u>emphasis</u> <u>is</u> <u>not</u> <u>necessarily</u> <u>on</u> <u>replacement</u> <u>of</u> <u>staff</u>. The <u>focus</u> <u>is</u> <u>on</u> <u>freeing</u> staff time to perform tasks frequently given only glance attention because of time consuming manual tasks.

The DP systems need to enable cost savings either through more effective use of staff time or better

management information (i.e., fraud detection, etc.) or combining several tasks performed by several staff allowing for redistribution of task and reduction in staff position allocations. DP systems also have the task of enabling elimination of duplication of functions, programs, storage of data, reports, etc., thus saving costs of operations.

To meet such objectives, agency policy needs to assertively encourage and assist administrators, chiefs, and other management staff to creatively explore appropriate use of the computer to replace manual systems with more efficient and less costly automated systems.

408   OBJECTIVE--To Assure That Each Data Processing System is Adequately Documented

Each computer system must be sufficiently documented to permit its maintenance or modification by the data processing staff without reference to those individuals involved in its development.

Documentation should be commensurate with the systems' size and complexity. As an example, the documentation for a large, complex system, such as MIMS, R-300, etc., must be much more detailed than those for a system of

significantly less complexity; however, the documentation for either system must meet the criteria outlined in 1, above.

One-time reports require no documentation. Once the report is run, there is no need for further use of the program(s) creating the report.

Systems, regardless of who develops them (DP, user, etc.), containing significant information (historical, financial, client tracking, etc.) and/or which are run on a scheduled basis, must be documented. There needs to be a cut-off point in regards to the amount of person hours expended in developing the program(s) (system) where documentation requirements are or are not required.

Documentation should be developed in accordance with established standards and reviewed by someone to assure the standards are met. The standards must be flexible enough to adapt to different situations.

One complete copy of each system documentation should be filed in the DP Bureau, regardless of who developed the system.

All changes (maintenance or modifications) to existing systems must be documented and included with the original system documentation.

In addition to the documentation stored in the DP Bureau and by the user, if applicable, all documentation should be stored off-site. One of the ways to effect off-site storage is by entering it on ATMS (Advanced Text Management System) where it is stored in Central Data Processing (CDP). An advantage to ATMS is its amendability to updating the documentation. Another possibility is to store it as a part of the program in the computer or store it via word processing dikettes, both on and off site.

System Documentation - A Discussion

Systems Documentation sometimes referred to as Master Documentation or Central Documentation refers to the creation, maintenance, and distribution of all documentation that uses a common set of documents. It contains information on how the system was developed and how it works including input - output forms design, system flowcharts, program specifications/definitions, user and data processing operating instructions, etc.

The following is an extract from a data processing handbook which illustrates the master documentation concept. It should be noted however that actual content and quality of any documentation is dependent upon managements committment and established documentation standards, which varies greatly from installation to installation.

Master Documentation

The master documentation file contains all system development and operations documentation. The primary characteristic of this file is the absence of any document duplication.

The master documentation index provides two distribution lists. The development distribution list describes the various management systems and programming manual contents that are required during the system development process. The operations distribution list describes the contents of the user and data processing operations manuals. Within each of these manuals, provisions are made for further segmentation (clerical, keypunch, computer, etc.)

Documentation Contents

The master documentation file consists of seven major sections--introduction, management summary, user description, database description, computer description, automated documentation, and data processing instructions--plus appendixes.

Introduction

This section describes the purpose of the documentation manual, how the manual is organized, and the contents of the manual. If the master documentation is standard for all systems, this section can be written one time and then copied for each new system documentation manual.

Management Summary

This section is one of the most important pieces of the system documentation--yet it rarely exists. It should be written so that all managers (top, user, and data processing) can understand it. The scope of the management summary should include the system interface wtih other manual and automated systems. Desired system changes and extensions are usually known by the time a system is installed, and they should be recorded in this section.

User Description

This section should be written in a deductive manner--that is, it should start with a general description of the system and then proceed to segment it into subsystems and the actual system elements (input forms, output reports, and a description of each data field described by the inputs and outputs). Flowcharts may be of many different types. Some systems are concerned with the flow of paper (orders, invoices, etc.). Others use existing inputs and are concerned with only the computer processing that is to be accomplished. Materials and paper (data) flowcharts can often be combined, especially in shipping, receiving, production reporting, and the like.

When preparing the user documentation, state the purpose and objectives of each segment of the system, follow it with flowcharts or other pictorial figures, and then narrate the figure, referring to the system inputs and outputs as needed. The resultant documentation must describe the system in adequate detail to the system user, the database designer, and the computer designer. Information related to inputs and outputs should also be documented with the data processing and user groups in mind.

The inputs portion of this section should include:

- An index listing each input form and its number.
- The input abstract sheet that describes general information about the form (source, volumes, purposes, etc.).
- The input form (and/or an example).
- Form preparation instructions that describe each entry on the form to the user responsible for its preparations (unless they are entered in the data element dictionary, making their inclusion here unnecessary).
- Formats for entering the input forms.

The outputs portion of this section should include:

- An index listing each output report and its number.
- The output report abstract sheet that describes general information about the report (sequence, distribution, purpose, etc.).
- The output report layout (and/or an example)--though often it is more desirable to include a set of computer-produced reports under separate cover.

If the data element dictionary exists in manual form, it should be included in the user description section. There should be a name/page index at the front of the dictionary to assist the reader in quickly locating data elements. Once there is a data element dictionary, creating the input/output/data element cross-reference matrix is easy.

Data Base Description

As data bases become more and more complex in terms of structure, access methods, file administration (maintenance, retention, etc.), and data volume, the database section of the manual becomes increasingly important. The general part of this section should include:

- The database structure (sequential, indexed-sequential, integrated, inverted, etc.) and considerations in determining the structure.
- Access methods (sequential, direct, indirect, random, etc.).
- Key and record buffer considerations (i.e., room for expansion).
- File control characters (record status, processing status, etc.).

-   File conversion considerations (from the current system).

-   Processing guidelines for the computer design step.

-   File administration (maintenance, storage, and retention controls).

An index to the files should be in file number sequence with the file name and type included. The file type will be either input, master, work, history, or report.

The file abstract sheet describes all pertinent information about the file (volumes, processing frequencies, record lengths, etc.). The file definition sheet describes each data element in the record, keys, buffer areas, and so forth. The file layout sheet is a graphical picture of the records. (This sheet is not necessary, but many data processing organizations are reluctant to part with it.) Regardless of whether or not there is a data element dictionary, the file/data element cross-reference matrix is easy to create if standard data names are used throughout all files.

Computer Description

This section of the manual is orientated toward the computer solution. It describes how the computer applies the input data to the database and extracts data from the database to prepare the output reports.

The general portion of this section describes certain programming rules and computer design considerations. Specifically, these rules include:

- Machine type and size (memory and peripherals).
- Software, including its special uses and subsets.
- Program buffer size (e.g., some computer designs specify that every program must reserve 5 percent of core memory for later expansion).
- Other standards that apply to this system but are not part of the documentation standards manual.

The computer narrative describes (in terms of the job-linkage flowchart) how data pass through the system and where the major processing takes place. The program/file cross-reference matrix should connect reads, writes, and read-and-writes.

All program specifications should be written in terms of the module dependency chart, the individual module

(subroutine) specifications, and the module detailed flowchart (if it exists). If all module dependency charts are drawn prior to writing the program specifications, common (general) and standard modules can be identified and defined separately, which will reduce the overall implementation effort. The standard (precoded) modules can be entered in the computer library.

The computer library portion of this section should contain an index noting the name of each entry and the name under which it is catalogued. The library should include these entries:

- Standard programming modules
- File descriptions
- Record descriptions
- Test data (unit, system, and combined)
- Other (catalogued procedures, utility job cards, etc.)

Automated Documentation

This section of the manual must be included under separate cover since it consists of such material as magnetic files, program listings, automated flowcharts, test data printouts, and data element dictionary

listings. All these data should be retained in the computer library in magnetic form.

Data Processing Instructions

This is the section of the manual that tells data processing personnel how to operate the system. If the user organization has data control stations, their instructions will also be included here. This section must be combined with parts of the user and database descriptions in order to provide a full set of data processing operating instructions.

The general portion describes in narrative form how the system is to operate in general, and discusses how to use the documentation in this section. The data flowchart describes the flow of data from one work station to the next upon entry into the data processing organization. (The flow ends when the reports are sent to the user.) The data processing schedule describes when the data are to be received, references the pertinent data-handling procedures, describes when the processing is to be completed and the data returned to the user organization, and tells whom to contact in the user organization in case of trouble.

The data conversion, computer, and unit record instructions are usually self-contained and are copied directly into their respective operating manuals. The input collection and preparation describes batching procedures, balancing, error checking, and so forth. The error correction instructions pertain to the computer-produced error reports. These reports may be segmented by user-committed errors and data processing--committed errors.

Report preparation and distribution are self-explanatory. Data storage and retention include input forms, magnetic files, and reports.

Appendixes

The appendixes contain a glossary of system terms--which may be user terms defined for data processing personnel and/or data processing terms defined for the user--and the documentation distribution index and the system test plan.

Documentation Distribution Index

The documentation distribution index provides a vehicle for reproducing portions of the master documentation file for inclusion in the system development working

documentation and/or the user and data processing operations manuals.

Figure 20.1 is an index of the contents of the master documentation file. The second and third columns are for the portions of the documentation that are to be included in the user and data processing operations manual. Note that under "User Description" is listed "User Operations Manual," and under "Data Processing Instructions," "Data Processing Operations Manual." These entries refer to any remaining operating documentation required after the reproduced portions of the master documentation file are included.

409   OBJECTIVE--To Provide Data Processing Orientation and
       Training to SRS Staff at All Organizational Levels

       A training program for users and potential users
       (administrators, bureau chiefs, and selected section
       supervisors and technicians) should include the
       following topics.

       °   Project responsibility - user vs. DP

       °   Project planning - who does what, when

       °   Feasibility study - should it be done

       °   Cost benefit analysis - is it cost justified

       °   Developing goals and objectives for the system -
            what is to be accomplished

       °   Defining functions and requirements of the
            system - user and DP involvement in developing
            input-output requirements

       °   Analyzing existing procedures - how do we do it
            now

°   Conversion - who and what is involved

°   Implementation - what has to be done, by whom

°   Training user staff - who, what and when

°   On-line vs. batch - what are they

°   User manuals - what are they, their purpose, who
    develops and maintains

The training program should be designed for two
levels - Upper Management orientation and Direct User
training.   It should be specific enough to be
informative, but should not attempt to make everyone a
"DP expert".   We should use our in-house resources to
conduct the training to the maximum extent possible;
however, if outside expertise is required, it should be
nonacademic.   The training should be SRS worker
oriented rather than theory.

A portion of this training package should be included
in an ongoing new employee orientation program
(particularly for those employees located in the SRS
building).

The DP training package should be developed by Staff Development and reviewed for approval by the DP Task Force before finalization.

410   OBJECTIVE--Provide Adequate Security for Information Contained in Computer Systems

Data contained in department DP systems must be secured from unauthorized access to the system, both physically and electronically. Security is accomplished by limiting physical access to computer hardware via locating equipment in an area where physical security can be enforced, locking terminals, etc. Passwords, sign on/off procedures, access codes, etc., are examples of security from electronic penetration.

The degree of security should be commensurate with the sensitivity of the data in each system; however, all systems should prevent unauthorized access to thwart unauthorized data manipulation.

When employees terminate, the passwords should be deleted. Keys should be stored in a secure place.

GS1/T

It is the responsibility of the Data Processing Bureau to provide initial cost estimates and resource requirements for the implementation and ongoing support of the request. The Data Processing Bureau will schedule the work on each request depending upon priorities established by the DP/WP Steering Committee.

It is the responsibility of the DP/WP Steering Committee to review, approve/disapprove requests and assign a project priority to each request.

DISTRIBUTION —

Requestor — Upon completion of items 1 through 9, the goldenrod copy shall be retained by the originator. All other copies will be sent to the Data Processing Coordinator.

Data Processing Coordinator — Upon completion of follow-up interviews with the requestor, all copies, along with all associated attachments, will be sent to the Data Processing Bureau.

Data Processing Bureau — Upon completion of items 10 through 14, all copies, along with all associated attachments, will be sent to the Data Processing Coordinator.

Data Processing Coordinator — Upon completion of items 15 and 16, the original will be sent to the Data Processing Bureau. The yellow copy will be returned to the originator and the pink copy shall be retained by the Data Processing Coordinator.

INSTRUCTIONS FOR COMPLETING FORM:

Responsibility   ACTION:

FORM SRS-DP-39: "NEW SYSTEMS DEVELOPMENT REQUEST"

● Requestor

(1)   Enter the name of the division, bureau, unit, etc., requesting the services.

(2)   Enter a brief description of the type of development (e.g., "New Time Reporting System", "Recipient Restriction Sub-System", etc.).

(3) If the development is to become a part of an existing SRS system, enter the system name and system number.

(4) Specify the general Goals and Objectives of the request. (E.g., Goal: provide an effective on-line Montana Income Maintenance System that would support the needs and priorities of the Economic Assistance programs. Objectives: reduce error rates, improve management and statistical data, provide a payment system, etc.)

(5) Define the requirements of the system (e.g., an on-line client tracking system with approximately 12,000 clients, monthly reporting and on-line update). Identify requirements which are mandatory to the system, requirements which are flexible (alternatives would be acceptable), requirements which could be deferred until a later date and requirements which are only desirable.

(6) Give the reasons why this request would be beneficial. For example, compliance with Federal or State requirement, Department policy, increased accuracy of information, quantity of information, timeliness of information, etc. Also, identify any privacy or security requirements imposed by legislation or Department policy.

(7) Enter the desired completion date and responsibility center code number for data processing operational expenses.

(8) Sign your name and enter your phone number.

● Administrator

(9) Sign and date.

● Data Processing Bureau

Project Estimates, Items (10) through (12) are based on general information contained in the "New Systems Development Request" and attachments. They are to be considered as rough estimates only and subject to change as additional detail information becomes available or the scope of the project changes.

(10) Enter the total number of hours required by the Data Processing Bureau to complete this project and the total development cost of the project based on $20 per hour. Estimate should include time for the following:

| ADM | 1201 - 1 |

SECTION:	SUBJECT:
REQUESTING DATA PROCESSING SERVICES	Form SRS-DP-39: "New Systems Development Request"

- Project control
- Systems analysis and design
- Programming and testing
- User training
- Implementation/conversion

(11) Based on $15 per hour, enter the annual operational costs.

(12) Enter the annual computer processing costs.

(13) Based on current projects, their priorities and available resources, enter an estimated start and completion date. These dates are subject to change and can be affected by: changes in the scope of the project, new higher priority projects resulting from new legislation or Department policy and other emergencies.

(14) Determine, based on the scope of the request, system requirements, resource and cost factors if a further (more detailed) feasibility study is required.

Data Processing Bureau Chief Signature and Date.

● Data/Processing/Word Processing
Steering Committee

(15) Approve/disapprove request based on information submitted by the Data Processing Coordinator, Data Processing Bureau Chief and a presentation by the user of his/her request.

Assign a project priority from 1 to 10 based on the size of the development request, need, impact on other projects currently in progress and available resources.

Low Priority	1-3
Average Priority	4-6
High Priority	7-8
Critical System	9
Emergency Request	10

(16) DP/WP Steering Committee Chairman Signature and Date.

REDUCED COPY OF FORM SRS-DP-39: "NEW SYSTEMS DEVELOPMENT REQUEST" —

SRS-DP-39
(new 5/80)

MONTANA DEPT. OF SOCIAL & REHABILITATION SERVICES
Centralized Services Division

TO: Data Processing Coordinator
    Centralized Services Division

NEW SYSTEMS DEVELOPMENT REQUEST

FROM:

(1) _____
    _____
    _____

Subject: (2) _____   System: (3) _____

Goals & Objectives: (4)

☐ see attachments

System Requirements / Desired Results: (5)

☐ see attachments

Reason / Justification for Request: (6)

☐ see attachments

Requested Completion Date: (7) _____   Chargeable resp. center: _____

Originator's signature: (8) _____   Phone No: _____

Approved by: (9) _____   Date: _____

FOR DATA PROCESSING USE ONLY.

(10) Project development estimate: Hours: _____   Cost: _____

(11) Annual operational costs: Maintenance: _____ Data Entry: _____ Comp. Operations: _____

(12) Annual Computer Processing Costs: Storage: _____   Processing: _____

(13) Estimated start date: _____   Completion date: _____

(14) Feasibility study required: ☐ Yes ☐ No By: _____   Date _____

DATA PROCESSING / WORD PROCESSING STEERING COMMITTEE·

Request: (15) ☐ Approved for in-house development   ☐ Contract Development   ☐ Disapproved

Priority Assigned: _____

By: (16) _____   Date: _____   Project No: _____

DISTRIBUTION   Original DP Bureau   Yellow Acknowledgement Copy   Pink DP Coordinator   Goldenrod Request Copy

R-5

DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES

ADMINISTRATIVE MANUAL

SECTION

REQUESTING DATA PROCESSING SERVICES

SUBJECT

Form SRS—DP—39: "New Systems Development Request"

**FORM SRS—DP—39:
"NEW SYSTEMS
DEVELOPMENT REQUEST":**

<u>CHARACTERISTICS & PURPOSE</u> — Form SRS-DP-39, "New Systems Development Request" (see page 5 for a reduced copy), is on 4-part carbonless paper. It is used to request new data processing systems development or major changes to existing SRS data processing systems. This form is not intended to capture all of the detailed information required for a complete understanding of the request. It does, however, provide a capsule look at the economics of the proposed project and a basis for continued review, approval or disapproval. It also provides criteria by which management can evaluate and set priorities for new projects. .

<u>RESPONSIBILITY</u> — It is the responsibility of the requestor to initiate this form and submit it, along with any attachments, to the Data Processing Coordinator. The appropriate Administrator must review and approve each request prior to its submission to the Data Processing Coordinator. The requestor will also be responsible for giving a presentation of his/her request to the DP/ WP Steering Committee prior to approval/disapproval.

It is the responsibility of the Data Processing Coordinator to review the request for overall content, feasibility and practicality. The Data Processing Coordinator will conduct follow-up interviews with the requestor/user to:

- Insure all user requirements have been identified, that they have been adequately researched and clearly stated.

- Review alternatives to the proposed request.

- Further identify input, output and processing requirements.

- Review relationships to other requests, projects and department programs.

- Identify internal or external constraints.

- Identify organizational effects/changes as a result of implementing the request.

- Review other areas which are required for a comprehensive understanding of the request.

DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES

ADMINISTRATIVE
MANUAL

SECTION:

REQUESTING DATA PROCESSING
SERVICES

SUBJECT:

Form SRS-DP-29, "System
Support/Enhancement Request"

Supersedes ADM 1201-2 (Jan. 15, 1980)

FORM SRS-DP-29,
"SYSTEM SUPPORT/
ENHANCEMENT
REQUEST":

CHARACTERISTICS AND PURPOSE--Form SRS-DP-29,
"System Support/Enhancement Request" (see page 3
for a reduced copy), is in four parts on carbon-
less paper. It is used to request changes or
enhancements to existing SRS data processing
systems. This form shall not be used to request
new systems development.

RESPONSIBILITY--It is the responsibility of the
requestor to initiate this form and submit it to
the Data Processing Bureau. The appropriate
Administrator must review and approve each
request prior to its submission to the Data
Processing Bureau.

It is the responsibility of the Data Processing
Bureau to schedule each request on a "first
come, first served" basis except for priorities
established by the SRS Policy Committee.

DISTRIBUTION--

Requestor--upon completion of items 1
through 7, the original, yellow and pink
copies will be sent to the Data Processing
Bureau. The gold copy shall be retained by
the originator.

Data Processing Bureau--upon completion of
item 8, the Data Processing Bureau shall
return the yellow copy to the originator.

INSTRUCTIONS:

Responsibility   ACTION

Form SRS-DP-29, "System Support/Enhancement
Request"

SECTION:	SUBJECT:
REQUESTING DATA PROCESSING SERVICES	Form SRS-DP-29, "System Support/Enhancement Request"

. Requestor

1. Enter the name and mailing address of the unit (Division, Bureau, etc.) requesting the services.

2. Enter a brief description of the nature of the request (i.e., "Add MIMS Report", "Modify BENDEX Edit", etc.).

3. Enter the system name and system number.

4. Describe the nature of the request briefly, but specifically, outlining what service is required. Include report names, job numbers, equipment types, or anything that will help further define the services requested. Attach illustrations, sample reports, or examples of problems, if possible. Also include a date by which the request should be completed.

5. Give the reasons why accomplishing the request would be beneficial. Examples are to correct a design deficiency or program problem, improve turnaround, eliminate manual work, more timely reporting, state or federal requirement. Also, attach any documentation that would further illustrate these benefits.

6. Sign your name and enter your phone number.

. Administrator

7. Sign and date. This division will be the responsible user for the project.

. Data Processing Bureau

8. After an initial review and evaluation, a work plan outlining the tasks to be accomplished and a schedule for completion will be established if possible (larger or more complex requests may require follow-up meetings with the requestor before a final plan can be presented).

B-7

ADM	1201-2

SECTION:	SUBJECT:
REQUESTING DATA PROCESSING SERVICES	Form SRS-DP-29, "System Support/Enhancement Request"

9. If, upon receipt of the yellow copy from the Data Processing Bureau, the scheduled completion date does not satisfy the requestor's needs, the appropriate Administrator may present the request to the SRS Policy Committee.

10. The SRS Policy Committee may establish priorities for DP System Support/Enhancement Requests after considering other work in progress and requests received by the DP Bureau.

| SECTION: REQUESTING DATA PROCESSING SERVICES | SUBJECT: Form SRS-DP-29, "System Support/Enhancement Request" |

REDUCED COPY OF FORM SRS-DP-29

SRS-DP-29
(rev. 1/81)

MONTANA DEPT. OF SOCIAL & REHABILITATION SERVICES
Data Processing Bureau

TO: Data Processing Bureau
Centralized Services Division

FROM:
1 _____
_____
_____

SYSTEM SUPPORT/ ENHANCEMENT REQUEST

Subject: 2

System: 3

Description of Request: 4

☐ see attachments

Reason / Justification for Request: 5

☐ see attachments

ORIGINATOR'S SIGNATURE: 6

PHONE:

APPROVED BY: 7

DATE:

FOR DATA PROCESSING USE ONLY:

Request Disposition 8 9 10	ALLOCATE	ACCOUNT NO.	RESP. CENTER
			☐ see attachments

BY: _____

DATE: _____

PROJ. NO: _____

DISTRIBUTION: Original: DP Bureau   Yellow: Acknowledgement Copy   Pink: Assignment Copy   Goldenrod: Requester Copy

STATE OF MONTANA

Data Processing

Policies, Standards, and Guidelines

Issued By The

Governor's Office

of

Budget and Program Planning

TED SCHWINDEN GOVERNOR

CAPITOL BUILDING

— STATE OF MONTANA —

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 1

TO: All State Agencies

FROM: Troy W. McGee
         Data Processing Coordinator

DATE: June 1, 1981

RE: INTRODUCTION TO DATA PROCESSING MEMOS

This is the first in a series of memos which will be issued by the Office of Budget and Program Planning relating to policies, standards, and guidelines for the management of data processing in state government. Authority for these memos is contained in Management Memo 4-81-2 in compliance with Section 18-4-111, MCA. Each memo in this series will attempt to deal concisely with a specific subject in order to reduce the possibility of confusion or conflicts and provide immediate and broad exposure.

To provide ready reference and ease of updating, it is recommended that these memos be kept in a three ring binder in numeric order.

Your efforts to comply with these policies, standards, and guidelines will be appreciated. However, it should be understood that compelling reasons, such as changes in technology, may require modifications from time to time. Any questions or concerns regarding these memos should be directed to the Date Processing Coordinator in the Office of Budget and Program Planning.

TED SCHWINDEN, GOVERNOR

CAPITOL BUILDING

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 2

TO: All State Agencies

FROM: Troy W. McGee
          Data Processing Coordinator

DATE: June 1, 1981

RE: CONTRACTING FOR PROFESSIONAL PERSONAL SERVICES

Ultimately, each agency is responsible for the design, development, and support of their data processing systems. For many reasons, it is highly desirable that these efforts be performed in-house under the direct supervision and management control of the agency. However, in a number of instances, it may be desirable or necessary for these efforts to be performed by others. The following policies have been established regarding this matter:

- The Department of Administration, Information Systems Division shall be the first choice when contracting for professional personal services related to automated information systems.

- When the Information Systems Division is unable to provide the necessary services, contracting with the private sector may be appropriate.

It is necessary to document the fact that neither the agency nor the Information Systems Division can provide the services before any effort is made to contract with the private sector. To reduce the potential for wasted effort, the approval to proceed should be obtained from this office in advance. A procurement justification form (revised March 13, 1981) for data processing equipment and software should be used.

When developing a professional personal services contract, the services to be provided and the product to be delivered must be clearly and fully specified. Except for emergency situations and extenuating circumstances, whenever it is reasonably foreseeable that a proposed contract for these professional services will exceed $5,000, the agency must request quotations from all private consultants who have requested to be placed on the State Purchasing Division bid list.

To assure management control of large projects, it is vital that the services be contracted in phases. It is recommended that a <u>minimum</u> of three phases be established, consisting of planning (this includes the system requirements and external design), development (this includes internal design, program development, system test and system installation) and support. Each phase would be a separate contract with appropriate deliverables defined. Further guidance on this subject can be obtained from the <u>Customer Information Guide</u> developed by the Information Systems Division.

Once a contractor has been selected, it is necessary to establish a contract agreement. A standard contractual agreement for Computer Software Development has been established. A copy of this Standard Contract is attached and will be used if at all possible, as it is then less likely that required contractual language will be omitted.

Finally, no contract for professional services related to data processing will be executed without the prior approval of the Data Processing Coordinator.

This AGREEMENT is made by and between the State of Montana, _____

_____

(herein referred to as DEPARTMENT) and _____

_____

(herein referred to as CONTRACTOR). The main purpose of this AGREEMENT is _____

_____

_____

Both the DEPARTMENT and the CONTRACTOR agree to the terms and conditions specified in this AGREEMENT.

SECTION I - CONTRACTOR SERVICES. The Contractor warrants that the results of this Contract will meet the functional and performance specifications and standards described in Schedule "A".

SECTION II - PERFORMANCE. Upon completion of the work described in Schedule "A", any tests as outlined in Schedule "A" shall be performed at the department site with departmental data to determine whether: a) the products meet specifications and standards described in this Contract and (b) that they perform repetitively on a variety of data without failure. If any test discloses deficiencies, the Contractor shall within _____ days correct such deficiencies and the Department thereafter has an additional _____ days to conduct new tests. Following successful completion of each test the Department shall notify the Contractor of acceptance.

SECTION III - WORK IN PROGRESS. It is agreed that the Department shall have the right to inspect/review all work in progress.

SECTION IV - DEPARTMENT ASSISTANCE. The Department agrees and promises to provide assistance to the Contractor as follows: _____

_____

_____

_____

_____

SECTION V - COMPENSATION. In consideration for services rendered pursuant to this AGREEMENT, the Department agrees to pay the Contractor an amount not to exceed $ _____ as detailed in Schedule "B". No additional charges shall be claimed by the Contractor for any goods or services including source documentation, error correction, upgrades, maintenance or expenses for any other material or service to be performed under this AGREEMENT.

SECTION VI - EFFECTIVE DATE AND DURATION. This Agreement shall take effect as of _____ and shall terminate _____, unless terminated earlier pursuant to Section XV.

OBPP New 6/81   C-5

SECTION VII - ASSIGNMENT AND SUBCONTRACTING. The Agreement may not be assigned by the Contractor nor may the Contractor permit anyone other than the Contractor's personnel to perform any of the work, services or other performance required of the Contractor under this Agreement without the prior written consent of the Department.

SECTION VIII - OWNERSHIP AND PUBLICATION OF MATERIALS. The Contractor shall provide to the Department all documentation as deemed necessary by the Department for the system resultant from partial or full performance of this Agreement. This documentation shall meet standards acceptable to the Department. The Department shall retain ownership, for all purposes, of working papers, working products and end products. However, the Contractor shall retain possession of those records required by Section XIV of this Contract for three (3) years after termination of this Agreement.

SECTION IX - WARRANTIES. The Contractor warrants that the software delivered as per Schedule "A" of this Contract is free of defects and will meet the specifications described herein. The Contractor further agrees to correct any defects free of charge for a period of three months after acceptance by the Department. This provision shall not apply to problems caused by actions of Department personnel or equipment.

SECTION X - VENUE. The Department and the Contractor agree that venue for any court action arising under this Agreement shall be in the First Judicial District in and for Lewis and Clark County, Montana. Further, the Department and the Contractor agree that this Agreement shall be interpreted according to the laws of the State of Montana.

SECTION XI - INDEPENDENT CONTRACTORS. It is agreed that the Contractor is an independent contractor and not an employee of the State of Montana. Because the Contractor is an independent contractor under the terms of this Agreement, the Department shall not deduct from the Contractor's compensation to make payment for any federal, state or municipal taxes. The Contractor shall pay all federal, state and municipal taxes which may be required on the compensation paid under this Agreement. Also, the Contractor and its employees are not covered by the Worker's Compensation Laws as applicable to the Department as the employer.

SECTION XII - BONDS. If the Department determines that a bond is necessary, it is hereby agreed that the Contractor, upon adequate and due notice from the Department prior to consummation of this Agreement, will supply sufficient bond, provided by a reputable and established surety company or other method approved by the State of Montana, the terms of which will be established by the Department.

A copy of said bond shall be filed with the County Clerk and Recorder for Lewis and Clark County, and other Counties where such work is performed.

SECTION XIII - MODIFICATION. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter and statements, promises, or inducements made by either party, which are not contained in this Agreement are neither valid nor binding. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

SECTION XIV - RECORDS BY CONTRACTOR. The Contractor agrees and promises to keep and maintain reasonable records of activities performed under this Agreement, and allow access to these records by the Department and the Legislative Auditor as required by MCA 5-12 and 13. The Department, Legislative Auditor, or their representatives, shall have the right to access any records of the Contractor which are pertinent to the services provided under this Agreement, and such records shall be retained by the Contractor for no less than three (3) years after the termination of the Agreement.

SECTION XV - TERMINATION. Either party may terminate this Agreement without cause 30 days after delivery of written notice in hand to the other party. Further, the Department may terminate this Agreement for cause 10 days after delivery of written notice in hand to the Contractor.

Upon termination, the Department agrees to pay the Contractor according to the provisions of Schedule "B", _____

_____

All amounts owed to the Contractor by the Department at termination may be reduced by the amount of actual and consequential loss to the Department due to detrimental reliance on this Agreement by the Department. The Contractor agrees to return all properties including copies of programs, documentation, files, intermediate materials and related supplies upon the demand of the Department.

The Contractor understands and agrees that the Department is dependent upon Federal and State appropriations for its funding, and that actions by Congress or the Montana Legislature may preclude funding this Agreement completely through the termination date stated in Section VI. Should such a contingency occur, the parties may agree to a new termination date or terminate the Agreement immediately.

SECTION XVI - EQUAL EMPLOYMENT OPPORTUNITY. Pursuant to Sections 49-2-303 and 49-3-207, Montana Code Annotated, no part of this Agreement shall be performed in a manner which discriminates against any person on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap, or natural origin by the persons performing the Agreement. Any hiring shall be on the basis of merit and qualifications directly related to the requirements of the particular position being filled.

SECTION XVII - FAIR LABOR STANDARDS. The Contractor agrees to comply with all applicable Federal and State wage and hour rules, statutes and regulations, and warrants that all applicable Federal State fair labor standards provisions will be complied with, both by the Contractor and any sub-contractor hired by the Contractor, in the event that sub-contracted services to fulfill the terms and conditions of this Agreement are agreed upon by the Department and the Contractor.

SECTION XVIII - SEVERABILITY. It is understood and agreed by the parties hereto that if any item or provision of this Agreement is held to be illegal or in conflict with any Montana Law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid. Further, the parties agree to meet within 30 days and negotiate an acceptable replacement.

SECTION XIX - INDEMNIFICATION. The Contractor agrees that it will indemnify the Department and hold it harmless from any and all losses that may result to the Department because of negligence on the part of the Contractor, its agents, representatives, or employees. The Contractor shall hold harmless the Department from any and all claims arising out of the execution of this Agreement for injury to third persons, including their agents, employees or volunteers, recipients, and to the public at large, for injury to property or persons which arise out of any Contractor's actions.

SECTION XX - NOTIFICATION. It is understood that Contractor will notify the Authorized Agency of the Department immediately upon determination that any malady or occurrence has taken place which would, in any way affect or alter the duties, responsibilities, authorities, relationships or ability of the Contractor to fulfill the provisions of this Agreement in a timely manner and as prescribed herein.

SECTION XXI - LIAISON. The Department designates _____
as liaison for Contractor under this Agreement. Contractor agrees to make all official contacts with Department with this designee, or such other person as the designee appoints.

SECTION XXII - EXECUTION. Each party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.

By and For
CONTRACTOR:

_____	_____
Signature	Date
Name	Title
Address	City State
Representing	
Social Security Number or Federal Employer I.D. Number	

By and For
DEPARTMENT:

_____	_____
Signature	Date
Name	Title
Representing	

_____
Data Processing Coordinator
Office of Budget and Program Planning

_____
Approved as to Form - Attorney

C-8

SCHEDULE "A"

This schedule provides functional and performance specifications standards and time tables warranted in Section I of AGREEMENT between _____

_____

and _____

_____ dated _____

as follows:

SCHEDULE "B"

This schedule provides detail concerning the compensation indicated in Section V of
AGREEMENT between _____

_____

and _____

_____ dated _____

as follows:

TED SCHWINDEN, GOVERNOR

CAPITOL BUILDING

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 3

TO: All State Agencies

FROM: Troy W. McGee
Data Processing Coordinator

DATE: June 1, 1981

RE: PROCUREMENT OF EQUIPMENT AND SOFTWARE

The Office of Budget and Program Planning has the responsibility for the review and approval of all data processing equipment and software. This will help assure:

1. that existing data processing resources are fully utilized,

2. that data processing procurements are in concert with the established long range information processing plan, and

3. that data processing procurements are coordinated and compatible with existing data processing resources.

A form has been established (a copy is attached) which standardizes the review and approval process. This form must be completed and submitted to the Office of Budget and Program Planning for approval before any data processing equipment or software can be obtained.

The purpose of this form is to provide guidance for those preparing a justification to procure data processing equipment or software. Do not confuse this form with a request for quotation (RFP) or the establishment of specifications. These are separate subjects but are only necessary if the justification has been approved.

It is difficult to provide definitive guidance for the degree of justification required in every instance. The development of the necessary justification should never be taken lightly. It is obvious that the addition of a keypunch or terminal to an established function where the workload has increased should be simple. And the procurement of a large computer will require a comprehensive justification.

Generally, the greater the cost and complexity of the procurement, the more comprehensive the justification. If one is to err, it would be best to err on the side of a more comprehensive justification. The review and approval process will proceed more quickly with less total effort on everyone's part.

After the justification has been prepared, it should be attached to a state requisition along with the specifications and submitted to the Purchasing Division. The requisition and attached documents are then transmitted to this office for review and approval. The requisition is then returned to the Purchasing Division, approved, approved conditionally, disapproved, or disapproved conditionally. All justifications which are either poorly done or have inadequate justification will be disapproved conditionally.

If the justification being prepared is for a large procurement, say $25,000 or greater, or a new functional requirement is being met, it would generally be wise to obtain the review and approval before preparing the state requisition and specifications.

Your efforts to develop well documented justifications will be greatly appreciated.

Agency Submitting Application	Agency Code	Agency Name

Description of Equipment or Software: Be specific and attach specifications if deemed necessary.

Proposed Installation Date _____   Location _____

Justification of Procurement: Fully describe the purpose for which the Equipment or Software is needed, Workload Factors, Cost Benefits, Alternatives, etc. The level of detail required is dependent upon the Total Cost and complexity of the Procurement. However, inadequate or poorly prepared justifications will not be processed. (Note: generally the space alloted will not be adequate).

Compatibility Requirements: Note any requirements for compatibility such as, Equipment, Software, Firmware, Communication Lines, etc.

Communication Requirements: Discuss communication needs and purpose, and if communicating with an Existing Host, obtain approval to connect.

Host Description _____

Location of Host _____

Notes: _____

Approval of Host Facility Official

Signature	Title	Date

Financial Information:
  Proposed Method of Procurement

☐ Rent	Annual Lease Cost	$ _____
☐ Lease	Annual Time/Pay Cost	$ _____
☐ Purchase Time/Pay	Total Purchase Cost	$ _____
☐ Purchase	Annual Maint. Cost	$ _____

Budgetary Details	Account Number	Appropriation Number
Budgeted		
Not Budgeted		
Funding Operation Expense		

Authorized Agency Official

Office of Budget and Program Planning

☐ Approved   ☐ Approved Conditionally

☐ Disapproved   ☐ Disapproved Conditionally

Signature	

Title	Date

Signature

Title	Date

4-13

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

TED SCHWINDEN, GOVERNOR

CAPITOL BUILDING

$=$ STATE OF MONTANA $=$

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 4

TO: All State Agencies

FROM: Troy W. McGee
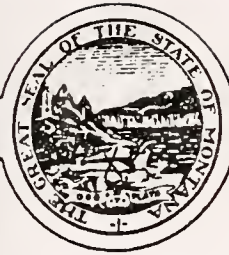   Data Processing Coordinator

DATE: June 1, 1981

RE: WORD PROCESSING EQUIPMENT

In April, 1978, the state of Montana installed a shared word processing system on the Central Computer Facility. This system is called the Advanced Text Management System (ATMS III). A shared word processing system was selected for many reasons but ultimately to assure that all state agencies would have access to a high level word processing service at the least cost.

Obviously, the state has made a major commitment in this area, in both cost and resources, as this is a substantial system with all of the normal word processing capabilities and in addition, the major capabilities that only a large system can provide. Also, this system will be conducive to the new advancements which will be experienced in word processing.

It is important that this service be used whenever applicable and must be the first consideration when contemplating word processing needs. No request for word processing capabilities will be considered without justifying the need with a cost benefit analysis and a review and evaluation of this service.

Generally, the approval of word processing equipment will be contingent upon the potential capability to communicate with the computer facility in the Department of Administration. This will assure that the greater capabilities of ATMS can be utilized. (Archival document storage and retrieval, high speed printing, typesetting, ability to transfer equipment, etc.)

As a minimum, the word processing equipment must be capable of communicating via SNA (System Network Architecture) and SDLC (Synchronous Data Link Control) without any software modifications so that text transmitted to the computer facility can be processed under ATMS. The vendor may be required to demonstrate or warranty this capability. In addition, the agency

may require even greater communications capabilities depending upon the functional requirements of the system.

Further information regarding ATMS can be obtained by contacting the Computer Services Division, Department of Administration.

DPM NBR 5

TO: All State Agencies

FROM: Troy W. McGee
         Data Processing Coordinator

DATE: June 1, 1981

RE: AVAILABILITY OF STATE DEVELOPED COMPUTER SOFTWARE -
        PRIVATE SECTOR

    It is the opinion of our legal staff that computer software (programs) and the related documentation developed by state agencies are the personal property of the state of Montana. Therefore, computer software is not to be released to the private sector without the prior approval of this office.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

TED SCHWINDEN GOVERNOR

CAPITOL BUILDING

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 6

TO: All State Agencies

FROM: Troy W. McGee
         Data Processing Coordinator

DATE: June 1, 1981

RE: AVAILABILITY OF STATE DATA PROCESSING EQUIPMENT -
             PRIVATE SECTOR

State data processing equipment is not generally available for use by the private sector as this could produce an unfair competitive advantage in the private sector. However, it is recognized that there are certain circumstances where the use of state owned data processing equipment may be approved by the Data Processing Coordinator within the following guidelines:

·   The capability to be provided by the state owned data processing equipment (excluding computer software) must not be available in the private sector in Montana.

·   The use of state owned data processing equipment cannot have an adverse effect on the state data processing needs, nor can the use by the private sector be used to justify additional data processing equipment acquisitions. Only excess time on the data processing equipment may be considered for use by the private sector.

·   The use of state owned data processing equipment shall be discontinued immediately when the capability is available in the private sector.

·   The total cost associated with the use of state owned data processing equipment will be passed on to the individual for whom the service is provided.

·   The rates used in determining the cost of providing the services will be the current published rates of the Computer Services Division and the Information Systems Division unless higher rates have been determined to be more appropriate.

   Nothing in this policy statement is to be interpreted to preclude the possibility of a state agency contracting with the private sector for services which includes the use of state owned data processing equipment in order to meet the terms of the contract.

TED SCHWINDEN, GOVERNOR

CAPITOL BUILDING

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 7

TO: All State Agencies

FROM: Troy W. McGee
           Data Processing Coordinator

DATE: June 1, 1981

RE: STATE LONG RANGE INFORMATION PROCESSING PLAN

The future direction of data processing in Montana state government is outlined in the Long Range Information Processing Plan which was issued in November, 1978. The contents of this document establishes many of the basic policies and guidelines which will be followed in the future development of data processing in Montana government. Some of the subjects covered are:

- Goals and Objectives

- Priorities for Computer Processing

- Statewide Standards

- Management of the Teleprocessing Network

- Establishment of the Data Processing Management Group

- Data Base Management

- Data Security and Privacy Issues

- Etc.

Anyone involved in the data processing function should be familiar with the document. Copies of this document were widely distributed when first issued and a limited number of copies are still available from this office.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

TED SCHWINDEN, GOVERNOR

CAPITOL BUILDING

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 59620

DPM NBR 8

TO: All State Agencies

FROM: Troy W. McGee
         Data Processing Coordinator

DATE: June 1, 1981

RE: EQUIPMENT SPECIFICATIONS AND CONTRACTS

Each agency is responsible for developing equipment specifications and negotiating contract terms with equipment vendors. When negotiating with the vendor, it must be made clear that any contract entered into is with the state of Montana. The Data Processing Coordinator will be available for consultation and should be consulted in all major equipment acquisitions.

A standard state contract for data processing equipment has been developed and is available from this office. This document should be used as a guide since it contains many terms which may be incorporated into a contract. For example, all contracts must clearly state that the contract will be interpreted according to the Laws of Montana and venue will be the First Judicial District in Helena, Montana. To assure that all legal aspects are acceptable, the contract should be reviewed by legal counsel before it is signed.

This office will be responsible for those agreements or contracts which are deemed desirable from an overall state perspective. For example, volume discounts, fiscal year terminations, uniform anniversary dates, price protection, etc.

RECEIVED

JUN 13 1981

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OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

DPM NBR 9

TO: All State Agencies

FROM: Troy W. McGee
          Data Processing Coordinator

DATE: June 1, 1981

RE: DISPOSAL OF DATA PROCESSING EQUIPMENT

It is important that the state of Montana receive the greatest value possible when disposing of data processing equipment. Depending upon the status of the equipment, there are a number of options which should be evaluated.

If the equipment is owned, should it be:

1.   used as a trade-in?

2.   relocated to another agency?

3.   sold to a third party?

If the equipment is rented or leased, should it be:

1.   returned to the vendor?

2.   relocated to another agency?

3.   purchased considering the options for equipment that is owned?

To assure that all options are fully evaluated, the disposal of data processing equipment will require the prior approval of the Data Processing Coordinator. When the disposal of any data processing equipment is contemplated, please notify this office as soon as practical, in writing. Describe the equipment in detail, along with the financial status as of the projected disposal date. You will be be notified as to the appropriate disposal selected. Your vigorous compliance with this policy can be financially rewarding to the state of Montana.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING

TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

(406) 449-3616

HELENA, MONTANA 5962

DPM NBR 10

RECEIVED

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P-   ssing

TO: All State Agencies

FROM: Troy W. McGee
          Data Processing Coordinator

DATE: September 1, 1981

RE: DISPOSAL OF DATA PROCESSING PAPER
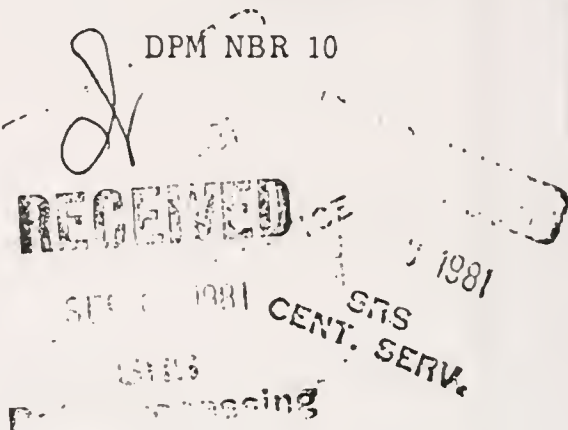
Every effort should be made to aid in the conservation of re-
sources and reduce costs to the state. All proceeds from the sale of
data processing paper for recycling must accrue to the benefit of the
state.

In the Helena area, the Computer Services Division of the Depart-
ment of Administration can make arrangements for a private recycling
firm to pick up the data processing paper at your location. The Com-
puter Services Division will then appropriately credit your agency's
account. This will reduce your administrative efforts and the need for
physical transportation.

For further information regarding this matter, call the Chief of the
Operations Bureau at 449-2596 in the Computer Services Division.

30E1

APPROVAL CRITERIA
FOR
REQUEST FOR PROPOSALS
FOR
AUTOMATIC DATA PROCESSING

I - SYSTEMS

II - EQUIPMENT

III - SERVICES

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

March 31, 1980

APPROVAL CRITERIA FOR REQUESTS FOR PROPOSALS

FOR

AUTOMATIC DATA PROCESSING

SYSTEMS, EQUIPMENT AND SERVICES

Title 45 CFR 95. 611 requires States to obtain HEW approval
of requests for proposals (RFPs) for automatic data pro-
cessing systems, equipment and services prior to State
issuance of the RFP for solicitation of proposals from com-
mercial sources.

The RFP provides HEW with specific information on a proposed
acquisition and presents the procedures the State will use
in the procurement. In the event the RFP deviates signifi-
cantly from the approved advance plan, the State needs to
explain the deviation.

States issue RFPs for a wide variety of needs. Conse-
quently, these criteria are stated in general terms that are
adaptable to the different needs and situations that the
State may face.

The HEW review will focus on those elements of a RFP that
are fundamental in obtaining data processing systems that
will aid in the efficient and effective administration and
management of HEW programs. The criteria do not address
items normally found in RFP "boiler plate" that are pri-
marily procurement issues. For those RFP elements, States
need to comply with requirements that are specified in
Federal procurement rules and regulations and with the pro-
curement requirements of the individual States.

A. Management of the Procurement Process

1. Does the RFP identify the issuing office and the agency (program component(s)) that will use the system, and the agency manager responsible for the system procurement?

2. Does the RFP include a procurement schedule that allows sufficient time for pre-proposal conferences, preparation of proposals, evaluation, date of award, and initiation of work?

3. Does the RFP comply with title 45 CFR Part 74 that requires "to the maximum extent practicable, open and free competition?"

4. Does the RFP specify the format and organization for the proposals and provide submittal instructions, such as:

    (a) time and date by which offerors must submit proposals,

    (b) office to which offerors must submit proposals, and

    (c) number of proposal copies offerors must submit?

5. Does the RFP require that the proposal give a statement, including personnel background and experience information, of the contractor's personnel resources planned for assignment to the project?

6. Does the RFP require a statement of corporate financial resources, a performance bond and a history of prior involvement in similar projects?

7. Does the RFP specify that the prime contractor selected through this procurement is responsible for contract performance, whether or not sub-contractors are used?

8. Does the RFP specify standards for sub-contractors as well as prime contractors even though final responsibility is with the prime contractor?

9. Does the RFP state contract termination provisions?

10. Does the RFP include a provision for penalty in the event the contractor fails to deliver satisfactorily any of the products required in the RFP?

11. Does the RFP stipulate that the resulting contract will include provision for State retention of all ownership rights to the software and associated documentation developed or installed with Federal financial participation?

12. Does the RFP state that the resulting contract will include provisions to allow HEW access to the software and all related documentation and records during the system design, development and operation, and to pertinent cost records of contractors and sub-contractors at such intervals as HEW deems necessary?

13. Does the RFP specify the type of contract that is anticipated; e.g., fixed price, cost reimbursement, etc.?

B. Nature and Scope

1. Does the RFP:

   (a) present the purpose and scope of the proposed system,

   (b) provide background information on the proposed procurement, and

   (c) explain relationship(s) of the proposed system with other system(s) and organizations?

2. Does the RFP reference or include previously prepared documentation that will help potential offerors understand the proposed project and aid in their proposal preparation?

3. Does the RFP describe the existing methods and procedures that the proposed system will supplement, change or replace?

4. Does the RFP contain information on:

   (a) organizational responsibilities,
   (b) equipment available and required,
   (c) software available and required,
   (d) volume and frequency of inputs and outputs, and
   (e) constraints and limitations in terms of program requirements, organization and costs?

D-4

5. Does the RFP illustrate the proposed data flow and management to present an overall view of the planned capabilities?

6. Does the RFP state the major objectives of the proposed system; e.g.:

   (a) new or improved service delivery,
   (b) operational efficiency,
   (c) enhanced programmatic or administrative controls?

7. Does the RFP itemize improvements with associated time frames the agency will obtain by the proposed system, such as:

   (a) new capabilities,
   (b) upgraded existing capabilities,
   (c) elimination of existing deficiencies, and
   (d) improved timeliness, e.g., decreased response time or processing time?

8. Does the RFP contain an explanation of project phasing, if phasing is contemplated?

C. Functional Requirements

1. Does the RFP state the functions required in the proposed system in quantitative and qualitative terms, and how those functions will satisfy the programmatic and/or administrative requirements?

2. Does the RFP state performance requirements of e.g.:

   (a) data accuracy standards - mathematical, logical, transmission,

   (b) data validation,

   (c) timing - response time, processing time, and

   (d) flexibility in design to provide capability in operating environment, interfaces with other software, organizational impact with respect to future changes or improvements?

3. Does the RFP specify security and privacy requirements of the proposed system?

4. Does the RFP specify inclusion in the proposed system of safeguards against fraud, abuse and waste?

D-5

5. Does the RFP require a proposed problem solution that uses proven technology as opposed to experimental technology that may or may not be successful?

6. Does the RFP require estimates of the level of effort anticipated, expressed in person-years or other reasonable indicators?

D. Deliverables

1. Does the RFP specify the products the State expects the contractor to deliver?

2. Does the RFP state the review and approval period for each deliverable?

3. Does the RFP identify the documentation and operation standards the contractor is expected to use?

4. Does the RFP specify requirements for user training, conversion, system implementation and acceptance when applicable?

5. Does the RFP stipulate responsibility of the contractor for contract deliverables?

6. Does the RFP require a schedule of proposed work with defined milestones for contract deliverables?

E. Management Plan

1. Does the RFP state the functional title of the State project manager to whom the contractor will report?

2. Does the RFP specify type and frequency of project status reports?

3. Does the RFP describe the plan for State review and approval of work performed during the lifetime of the project?

4. Does the RFP define the billing method the contractor will use to ensure identification of costs for each Social Security Act program?

F. Proposal Evaluation

1. Does the RFP describe the method the State will use in evaluating proposals?

2. Does the RFP specify evaluation criteria that emphasize primary considerations that will lead to successful accomplishment of the proposed project?

A. Management of the Procurement Process

1. Does the RFP identify the issuing office, the agency (program component(s)) that will use the equipment, and the agency point of contact for the equipment procurement?

2. Does the RFP include a procurement schedule that allows sufficient time for pre-proposal conferences, preparation of proposals, benchmarking, evaluation, date of award and installation of the equipment being acquired?

3. Does the RFP comply with title 45 CFR Part 74 that requires "to the maximum extent practicable, open and free competition?"

4. Does the RFP specify the format and organization for the proposals and provide submittal instructions, such as:

    (a) time and date by which offerors must submit proposals,

    (b) office to which offerors must submit proposals, and

    (c) number of proposal copies offerors must submit?

5. Does the RFP require a statement of corporate financial resources, a performance bond and a histoy of prior involvement in similar projects?

6. Does the RFP state contract termination provisions?

7. Does the RFP include a provision for penalty in the event the contractor fails to deliver satisfactorily any of the products required in the RFP?

8. Does the RFP identify the preferred method of payment, such as rental, lease or purchase?

B. Nature and Scope

1. Does the RFP:

    (a) present the purpose and scope of the proposed equipment acquisition, and

(b) provide background information on the proposed acquisition?

2. Does the RFP reference or include previously prepared documentation that will help potential offerors under- the proposed acquisition and aid in their proposal preparation?

3. Does the RFP describe existing methods and proce- dures that the proposed equipment will support, change or replace?

4. Does the RFP:

(a) itemize existing equipment,

(b) describe the existing equipment that the new equipment will replace,

(c) explain relationship(s) of the proposed equip- ment with other existing or planned systems and equipment configuration, and

(d) describe the proposed integration of new equip- ment with currently installed equipment the State will retain?

5. Does the RFP itemize existing operating system(s), data base manager and other software?

C. Mandatory Functional Requirements

1. Does the RFP describe the requirements of the equip- ment being acquired for factors such as:

(a) thruput requirement,
(b) storage capacities,
(c) transaction and I/O volumes
(d) teleprocessing transmission rates,
(e) data or processing sequencing requirements, or
(f) timing or turnaround restrictions?

2. Does the RFP specify equipment performance require- ments for those factors that workload specifications inadequately describe; and, if so, do the require- ments fall within a range to allow maximum competition?

3. Does the RFP specify operational use time in terms of:

(a) equipment availability, and
(b) minimum downtime?

4. Does the RFP state technical requirements for features to accommodate security requirements?

5. Does the RFP state requirements for:

   (a) provision of operating software,
   (b) performance of operating software, and
   (c) implementation of operating software modifications and revisions?

6. Does the RFP specify data base management requirements?

D. Mandatory Support Requirements

1. Does the RFP specify maintenance requirements for:

   (a) on-site maintenance,
   (b) on-call maintenance, and
   (c) availability of replacement parts?

2. Does the RFP require on-site field modification of equipment on at least the same basis as furnished to other customers?

3. Does the RFP describe required contractor support for:

   (a) staff training, and
   (b) manuals and publications?

4. Does the RFP state conditions and responsibility for equipment transportation, packing, unpacking and movement?

5. Does the RFP describe existing or planned facilities, e.g.:

   (a) available power,
   (b) available air conditioning, chilled water,
   (c) floor area, and
   (d) access doors?

E. Desirable Features

Does the RFP specify desirable features?

F. Conversion Considerations

1. Does the RFP describe the requirements for data file and application software conversion or reprogramming?

2. Does the RFP specify conditions for conversion or reprogramming of data files and application software in terms of:

   (a) responsible party,
   (b) cost, and
   (c) schedule?

G. Cost Alternatives

1. Does the RFP clearly state the minimum period for which the equipment is to be used, and request the offerors to submit a cost proposal that

   (a) covers the minimum period,
   (b) allows for alternate pricing for longer periods,
   (c) allows for different acquisition and pricing structures such as purchase, lease, lease-purchase with purchase credits?

H. Acceptance Testing

Does the RFP describe acceptance testing procedures and time frames?

I. Proposal Evaluation

1. Does the RFP describe the method the State will use in evaluating proposals?

2. Does the RFP specify evaluation criteria that emphasize mandatory requirements of the proposed equipment?

3. Does the RFP specify evaluation factors associated with desirable features?

A. Management of the Procurement Process

1. Does the RFP identify the issuing office, the agency (program component(s)) that will use the service, and the agency point of contact for the service procurement?

2. Does the RFP include a procurement schedule that allows sufficient time for pre-proposal conferences, preparation of proposals, evaluation, date of award, and initiation of the service being acquired?

3. Does the RFP comply with title 45 CFR Part 74 that requires "to the maximum extent practicable, open and free competition?"

4. Does the RFP specify the format and organization for the proposals and provide submittal instructions; such as:

   (a) time and date by which offerors must submit proposals,

   (b) office to which offerors must submit proposals, and

   (c) number of proposal copies offerors must submit?

5. Does the RFP require that the proposal give a statement, including personnel background and experience information, of the contractor's personnel resources planned for assignment to the project?

6. Does the RFP require a statement of corporate financial resources and/or a performance bond and a history of prior involvement in similar projects?

7. Does the RFP specify that the prime contractor selected through this procurement is responsible for contract performance, whether or not sub-contractors are used?

8. Does the RFP specify standards for sub-contractors as well as prime contractors, even though final responsibility is with the prime contractor?

9. Does the RFP state contract termination provisions?

D-/2

10. Does the RFP include a provision for penalty in the event the contractor fails to deliver the specified service satisfactorily?

11. Does the RFP state that the resulting contract will include provisions to allow HEW access to the software and all related documentation and records during the service operation, and to cost records of contractors and sub-contractors at such intervals as HEW deems necessary?

12. Does the RFP specify the type of contract that is anticipated; e.g., fixed price, cost reimbursement, etc.?

B. Nature and Scope

1. Does the RFP:

   (a) present the purpose and scope of the proposed service,

   (b) provide background information on the proposed procurement, and

   (c) explain relationship(s) of the proposed service to the agency's functions and system(s)?

2. Does the RFP reference or include previously prepared documentation that will help potential offerors under- the proposed service and aid in their proposal preparation?

3. Does the RFP contain information on:

   (a) organizational and personnel responsibilities,

   (b) equipment available and required, and

   (c) constraints and limitations in terms of program requirements, organization and costs?

C. Functional Requirements

1. Does the RFP state the functions of the proposed service in quantitative and qualitative terms, and how those functions will satisfy the programmatic and/or administrative requirements?

2. Does the RFP require expansion of the service, if the workload exceeds the initial resource requirements specified in the RFP?

D-13

3. Does the RFP specify the period of service availability?

4. Does the RFP state the location of the service or of product delivery?

5. Does the RFP state workload requirements in terms of regular and peakload volume and processing schedule?

6. Does the RFP state performance requirements in terms such as:

   (a) data accuracy standards - mathematical, logical, transmission,

   (b) data validation, and

   (c) timing - response time, processing time?

7. Does the RFP specify requirements for interfaces with operating environment (e.g., equipment, communication network, software and other systems)?

8. Does the RFP specify security and privacy requirements of the proposed service?

9. Does the RFP specify requirements for safeguards against fraud, abuse and waste?

10. Does the RFP describe user training requirements in terms of skills, number of trainees and location of training?

11. Does the RFP specify needed documentation in terms of user manuals, operating instructions, design descriptions and standards, and specify an appropriate number of copies?

12. Does the RFP describe the resources the State will make available to the contractor?

D. Management Plan

1. Does the RFP state the functional title of the State project manager to whom the contractor will report?

2. Does the RFP require a schedule of proposed work with dates or time frames for service deliverables?

D-14

3. Does the RFP describe the plan for State review and
    approval of work performed during the lifetime of
    the project?

4. Does the RFP specify type and frequency of project
    status reports?

5. Does the RFP define the billing method the contrac-
    tor will use to ensure indentification of costs for
    each Social Security Act program?

E. Proposal Evaluation

1. Does the RFP describe the method the State will use
    in evaluating proposals?

2. Does the RFP specify evaluation criteria that emphasize
    primary considerations of the proposed service?

APPROVAL CRITERIIA

FOR

SYSTEM SPECIFICATIONS

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MARCH 31, 1980

D-16

APPROVAL CRITERIA FOR SYSTEMS SPECIFICATIONS

FOR

AUTOMATIC DATA PROCESSING SYSTEMS

Title 45 CFR 95.611 provides for States to obtain prior approval for system design and system specifications as required by HEW. The Department will notify the State agency if such prior approval is required. The action will occur for selected systems. Types of development efforts HEW may select for review include, but are not limited to:

- systems progressing from plans that provide for determination of the kind of system the State will develop in first phase activities such as feasibility studies or system studies

- planned systems with unique approaches to problem solutions

- complex systems.

HEW's review process calls for approval of advance plans prior to States' initiation of action to obtain a system. At that early time, States will not always have the information HEW needs to approve a system in its entirety. This is true particularly in those instances where advance plans include provisions for exploring alternative approaches to the problem solution and determining system type as a first phase activity. When the State uses contractor support for system development and implementation, HEW is provided more definitive information through review of the request for proposal. However, when States develop systems with in-house staff, they do not routinely submit the more definitive information generated subsequent to advance plan preparation. The material available in States when system specifications are completed will provide HEW with the level of detail needed for assessment of the viability of the State's approach to problem solution. HEW considers that point a critical one for system review.

The system specification approval criteria delineate the type of information HEW will expect States to furnish for selected reviews. In preparing these criteria, HEW is not attempting to pre-judge the appropriate form for State system specifications; the criteria are intended to give States a sense of the tests HEW applies to system specifications in funding decisions. If some of the specified information was included in the advance planning document, States need not resubmit it. In the event the system specifications deviate significantly from the approved advance plans, States need to explain the deviation.

D-17

APPROVAL CRITERIA - SYSTEM SPECIFICATIONS

A. **Background**

1. Do the system specifications present a general overview that:

    (a) specifies the program and administrative requirements, and

    (b) describes the proposed system?

2. Do the system specifications:

    (a) identify the project sponsor, developer, user and the computer center or network where software will be implemented,

    (b) list the applicable references such as:

        (1) project authorization;

        (2) previously published documents on the project; and

        (3) documentation concerning related projects;

    (c) state the estimated begin date and the period of time the system will operate; and

    (d) provide pertinent cost considerations (developmental and operational)?

B. **Functional Requirement Specifications**

1. Do the specifications describe in detail the functions that the system must perform in order to meet user needs?

2. Do the specifications explain how the proposed system will contribute to the attainment of programmatic or administrative objectives, e.g.:

    (a) what difference will the system make in service delivery in terms of quantity, quality, time and cost?

D-18

(b) what operational improvements will the system attain,

(c) how will programmatic or administrative accountability be established or improved, and

(d) what performance standards will measure objective attainment?

3. Do the specifications propose a system designed around existing functional organizations and existing procedures? If not, does the schedule provide for phasing in a new organizational or procedural structure in a time frame consistent with the development of the proposed system?

4. Do the specifications identify techniques and procedures from other systems that will be used or that will become part of the proposed system? Do the specifications propose phasing out functions in other systems that are proposed in the new system?

5. Do the specifications propose an approach that proceeds from a base in a modular framework; that is, develop, test and implement segments of the overall system before proceeding to other segments or will the entire system be brought into operation at one time? Do the specifications provide rationale for the proposed approach?

6. Do the specifications propose proven technology as opposed to experimental technology?

C. Design Specifications

1. Do the specifications identify the data inputs, e.g.:

(a) describe the major data elements by name, their coded representations, relevant dictionaries, tables and reference files; and

(b) specify the data medium (disk, magnetic tape, etc.) and data format?

2. Do the specifications define the major processing requirements, e.g.:

(a) state the functions required of the processing segments in quantitative and qualitative terms;

    (b) specify performance measures for:

        (1) programmatic standards,
        (2) administrative functions, and
        (3) operational processes,

    (c) specify operational performance measures in terms of:

        (1) data accuracy
        (2) data validation and comparability
        (3) timing under various conditions for:

            - response time
            - update processing time
            - data transfer and transmission time
            - throughput time

    (d) describe flexibility in terms of capability for adapting to change in requirements, such as:

        (1) changes in modes of operation,
        (2) operating environment,
        (3) interfaces with other software,
        (4) planned changes or improvements, and
        (5) future legislative and regulatory changes?

3. Do the specifications describe the data flow between processing segments in terms of:

    (a) data elements
    (b) format
    (c) control

4. Do the specifications identify the data outputs in terms of:

    (a) content
    (b) format
    (c) frequency
    (d) distribution

5. Do the specifications describe the operating environment in terms of:

    (a) equipment - e.g.,

        (1) physical and geographic distribution of hardware,
        (2) capacity of processor and internal storage,
        (3) data storage devices, and
        (4) data transmission devices

(b) software, e.g.,

    (1) operating system,
    (2) data base manager,
    (3) other support software,
    (4) application programming language

6. Do the specifications delineate privacy, security and recovery standards and procedures in terms of:

    (a) safeguards to prevent programmatic and administrative fraud, abuse, and waste,

    (b) specifications for internal system audits and controls,

    (c) specifications for State/Federal audit functions, and

    (d) security and privacy requirements imposed on the software (45 CFR 205.50 and 302.18)?

7. Do the specifications state the possible failures of hardware or software, the performance consequences and the alternative courses of action the State can take to satisfy the processing requirements such as:

    (a) backup techniques, e.g., processing redundancy available in the event of primary system failure, backup files that can be substituted for regular data files,

    (b) fall back plans, e.g., the use of another system or other means to accomplish some portion of the requirements,

    (c) recovery and restart, e.g., the check points in the system where software execution can be resumed, and

    (d) operational controls, including sources of these controls?

D-21

D. **System Documentation**

1. Do the specifications explain documentation requirements and standards for:

   (a) software documentation,
   (b) operational instructions, and
   (c) user manuals?

2. Do the specifications describe user training aids and documentation requirements?

3. Do the specifications outline a plan to convert from the current to the new system?

E. **Management Plan**

1. Do the specifications include a project management plan that:

   (a) states the functional title of the project manager,

   (b) specifies the type and frequency of project status reports, and

   (c) describes the plan for review and approval of work performed during the period of system development and implementation?

2. Do the specifications describe resource requirements for the system detail specifications, development, implementation and operation in terms of:

   (a) staff numbers and skills, and

   (b) equipment capability for the different phases of the project?

3. Do the specifications:

   (a) identify projected cost for systems development and operation including direct and indirect cost, and

   (b) define the cost identification method the State will use to determine costs attributable to each Social Security Act program?

D-22

(ii) That a complainant prevailing in a civil action has the right to be awarded the costs of the action, including reasonable attorney's fees, but that these costs must be demanded in the complaint;

(iii) That before commencing the action the complainant shall give 30 days notice by registered mail to the Secretary, the Attorney General of the United States, the head of the granting agency, and the recipient;

(iv) That the notice shall state: the alleged violation of the Act; the relief requested; the court in which the action will be brought; and whether or not attorney's fees are demanded in the event the complainant prevails; and

(v) That no action shall be brought if the same alleged violation of the Act by the same recipient is the subject of a pending action in any court of the United States.

Subpart E—Future Review of Age Discrimination Regulations

§ 90.61   Review of general regulations.

The Secretary shall review the effectiveness of these regulations in securing compliance with the Act. As part of this review, 30 months after the effective date of these regulations, the Secretary shall publish a notice of opportunity for public comment on the effectiveness of the regulations. The Secretary will assess the comments and publish the results of the review and assessment in the FEDERAL REGISTER.

§ 90.62   Review of agency regulations.

Each agency shall review the effectiveness of its regulations in securing compliance with the Act. As part of this review, 30 months after the effective date of its regulations, each agency shall publish a notice of opportunity for public comment on the effectiveness of the agency regulations. Each agency shall assess the comments and publish the results of the review in the FEDERAL REGISTER.

PART 95—GENERAL ADMINISTRATION—GRANT PROGRAMS (PUBLIC ASSISTANCE AND MEDICAL ASSISTANCE)

Subparts A—E   [Reserved]

Subpart F—Automatic Data Processing Equipment and Services—Conditions for Federal Financing Participation

Subpart A—E   [Reserved]

Subpart F—Automatic Data Processing Equipment and Services—Conditions for Federal Financial Participation

GENERAL

§ 95.601   Scope and applicability.

This subpart prescribes the conditions under which the Department of Health and Human Services will approve Federal financial participation (FFP), at the applicable rates, for the costs of automatic data processing incurred under an approved State plan

for titles I, IV-A, IV-B, IV-C, IV-D, X XIV, XVI (AABD), XIX, or XX of the Social Security Act.

§ 95.605 Definitions.

"Acceptance documents" means written evidence of satisfactory completion of an approved phase of work or contract, and acceptance thereof by the State agency.

"Acquisition" means acquiring ADP equipment or services from commercial sources or from State or local government resources.

"Advance planning document" or "APD" means a written plan of action to acquire the proposed ADP services or equipment. The APD must contain a statement of needs and objectives; a preliminary cost/benefits analysis; a personnel resource statement indicating availability of qualified and adequate staff, including a project director to accomplish the project objectives; a detailed description of the nature and scope of the activities to be undertaken and the methods to be used to accomplish the project; a proposed activity schedule for the project; a proposed budget; and a statement indicating the period of time the State expects to use the ADP service or equipment.

"Approving component" means an organization within the Department that is authorized to approve requests for the acquisition of ADP equipment or ADP services; Social Security Administration (SSA) for cash assistance for titles I, IV-A, X, XIV, and XVI (AABD); Office of Human Development services (OHDS) for social services for titles I, IV-A, IV-B, IV-C, X, XIV, XVI (AABD), and XX; Office of Child Support Enforcement (OCSE) for title IV-D; and Health Care Financing Administration (HCFA) for title XIX of the Social Security Act.

"Automatic data processing" or "ADP" means data processing performed by a system of electronic or electrical machines so interconnected and interacting as to minimize the need for human assistance or intervention.

"Automatic data processing equipment" or "ADP equipment" means:

(a) Electronic digital computers, regardless of size, capacity, or price, that accept data input, store data, perform calculations, and other processing steps and prepare information output;

(b) All peripheral or auxiliary equipment used in support of electronic computers whether selected and acquired with the computer or separately;

(c) Data transmission or communications equipment that is selected and acquired solely or primarily for use with a configuration of ADP equipment which includes an electronic computer; and

(d) Data input equipment that is used to enter data directly or indirectly into an electronic digital computer; peripheral or auxiliary equipment; or data transmission or communications equipment.

"Automatic data processing services" or "ADP services" means:

(a) Services to operate ADP equipment, either by private sources, or by employees of the State agency, or by State or local organizations other than the State agency; and/or

(b) Services provided by private sources or by employees of the State agency or by State and local organizations other than the State agency to perform such tasks as feasibility studies, system studies, system design efforts, development of system specifications, system analysis, programing and system implementation.

"Data processing" means the preparation of source media containing data or basic elements of information, and the use of such source media according to precise rules of procedures to accomplish such operations as classifying, sorting, calculating, summarizing, recording, and transmitting.

"Department" means the Department of Health and Human Services.

"Feasibility study" means a preliminary study to determine whether it is sufficiently probable that effective and efficient use of ADP equipment or systems can be made to warrant the substantial investment of staff, time, and money.

"FFP" means Federal financial participation.

"Service agreement" means a document signed by the State or local agency and the State or local central

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data processing facility providing ADP services (provider) which:

(a) Identifies those ADP services the central data processing facility will provide;

(b) Includes, preferably as an amendable attachment, a schedule of charges for each identified ADP service, and a certification that these charges apply equally to all users;

(c) Includes a description of the method(s) of accounting for the services rendered under the agreement and computing services charges;

(d) Includes assurances that services provided will be timely and satisfactory;

(e) Includes assurances that information in the computer system as well as access, use, and disposal of ADP data will be safeguarded in accordance with provisions of 45 CFR 205.50 and 45 CFR 302.18; and

(f) Requires the provider to obtain prior approval from the Department for ADP equipment and ADP services that is acquired primarily to support the titles covered by this subpart and requires the provider to comply with 45 CFR Part 74, Subpart P for procurements related to the service agreement.

"Software" means a set of computer programs, procedures, and associated documentation by which ADP equipment is used and operated.

"State agency" means the State agency administering or supervising the administration of the State plan that is required by the Department for the Social Security Act programs.

"System design" means the putting together of a new or more efficient ADP system.

"System specifications" means information about the new ADP system—such as workload descriptions, input data, information to be maintained and processed, data processing techniques, and output data—which is required to determine the ADP equipment and software necessary to implement the system design.

"System study" means the examination of existing information flow and operational procedures within an organization. The study essentially consists of three basic phases: data gathering, investigation of the present system

and new information requirements; analysis of the data gathered in the investigation; and synthesis, or refitting of the parts and relationships uncovered through the analysis into an efficient system.

[43 FR 44853, Sept. 29, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

SPECIFIC CONDITIONS FOR FFP

§ 95.611 Prior approval conditions.

(a) *General-Acquisition requirement.* A State shall obtain prior written approval from the Department when it plans to acquire ADP equipment or services that it anticipates will have total acquisition costs of $100,000 or more in Federal and State funds over a twelve-month period, or $200,000 or more in Federal or State funds for the total acquisition. A State shall also obtain prior written approval from the Department when it plans to acquire noncompetitively from a commercial source ADP equipment or services that cost more than $25,000 in Federal and State funds. The State shall submit requests for prior systems approval, signed by the appropriate State official, to the Assistant Secretary for Management and Budget (ASMB), Department of Health and Human Services. Requests from States shall indicate clearly the Social Security Act titles under which funding is requested, and the estimated amount or percent that is requested for each title. The State shall send three copies of the request for each component to the Department that must approve the request. The Department will acknowledge receipt of the State request.

(b) *Specific prior approval requirements.* The State agency shall obtain written approval of the Department:

(1) For the advance planning document or any change of the advance planning document prior to entering into contractual agreements or making any other commitment for acquisition of ADP equipment or ADP services;

(2) For the service agreement (when data processing services are to be provided by a State central data processing facility or by another State or local agency);

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(3) For the request for proposal (RFP), prior to its issuance when service or equipment proposals are being solicited from commercial sources;

(4) When required, for the contract, prior to signature of the contracting officer. The Department requires approval of the contract for complex procurements, or where the grantee has a history of performance problems.

(5) When required for:

(i) The feasibility study;

(ii) The system study;

(iii) The system design;

(iv) The system specifications; and

(v) The acceptance document.

The Department will notify the State agency if such prior approval is required under § 95.611(b) (4) or (5).

(c) *Prompt action on requests for prior approval.* The ASMB will promptly send to the approving components the items specified in paragraph (b) of this section. If the Department has not communicated approval or disapproval within 30 days the ASMB or an approving component will notify the State regarding the status of the request.

[43 FR 44853, Sept. 29, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

§ 95.612   Prior notice conditions.

(a) *General—$25,000 to $100,000 acquisition requirements.* A State shall notify the Department (ASMB) when it plans to acquire ADP equipment or services that will cost $25,000 to $100,000 over a twelve-month period in Federal and State funds. The State shall send the prior notice of acquisition to the Department 60 days before the planned acquisition.

(b) *Specific prior notice contents.* The prior notice of acquisition is signed by the appropriate State official and explains:

(1) The need the acquisition is intended to satisfy;

(2) The nature and scope of the acquisition;

(3) Alternatives to the acquisition;

(4) If acquired from commercial sources, assurance that the State or local government will competitively acquire the ADP equipment or service;

(5) Total cost of the acquisition;

(6) The Social Security Act titles the State intends to charge for the acquisition and the estimated amount or percentages the State plans to charge to each title; and

(7) Any additional information the Department requires.

[45 FR 10794, Feb. 19, 1980]

§ 95.613   Procurement standards.

Procurements of ADP equipment and services are subject to the procurement standards in subpart P, 45 CFR, part 74. Those standards include a requirement for maximum practical open and free competition regardless of whether the procurement is formally advertised or negotiated. Those standards, as well as the requirement for prior approval, apply to ADP services and equipment acquired by a State or local agency, and to ADP services and equipment acquired by a State or local central data processing facility primarily to support the Social Security Act programs covered by this subpart. The service agreement between the State agency and the State central data processing facility is exempt from the procurement standards because State and local government agencies are not required to compete with the private sector.

[43 FR 44853, Sept. 29, 1978; 43 FR 53039, Nov. 15, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

§ 95.615   Access to records.

In accordance with 45 CFR Part 74, the State agency must allow the Department access to the system in all of its aspects, including design developments, operation, and cost records of contractors and subcontractors at such intervals as are deemed necessary by the Department to determine whether the conditions for approval are being met and to determine the efficiency, economy and effectiveness of the system.

[43 FR 44853, Sept. 29, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

§ 95.617   Software and ownership rights.

(a) *General.* The State or local government will have all ownership rights in software or modifications thereof and associated documentation designed, developed or installed with

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Federal financial participation under this subpart.

(b) *Exemption.* The Department reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.

(c) *Proprietary software.* Proprietary software which is provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership provisions of this subpart.

[43 FR 44853, Sept. 29, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

§ 95.619 Use of ADP systems.

ADP systems designed, developed, or installed with Federal financial participation shall be used for a period of time specified in the advance planning document, unless the Department determines that the elapsed shorter period of time is sufficient to justify the Federal funds invested.

[43 FR 44853, Sept. 29, 1978, as amended at 45 FR 10794, Feb. 19, 1980]

§ 95.621 ADP reviews.

The Department will conduct periodic onsite surveys and reviews of State and local agency ADP methods and practices to determine the adequacy of such methods and practices and to assure that ADP equipment and services are utilized for the purposes consistent with proper and efficient administration under the Act. Where practical, the Department will develop a mutually acceptable schedule between the Department and State or local agencies prior to conducting such surveys or reviews, which may include but are not limited to:

(a) *Pre-installation readiness.* A pre-installation survey including an onsite evaluation of the physical site and the agency's readiness to productively use the proposed ADP services, equipment or system when installed and operational.

(b) *Post-installation.* A review conducted after installation of ADP equipment or systems to assure that the objectives for which FFP was approved are being accomplished.

(c) *Utilization.* A continuing review of ADP facilities to determine whether or not the ADP equipment or services are being efficiently utilized in support of approved programs or projects.

§ 95.623 Waiver of prior approval requirements.

ADP equipment and services acquired by a State agency prior to the effective date of these regulations may qualify for FFP provided the Department waives the prior approval requirement. The Department will waive the prior approval requirement when it determines that the ADP equipment or services would have received prior approval had a request for such approval been made by the State agency.

COST ALLOCATION PLAN

§ 95.631 Relationship to the approved cost allocation plan.

(a) *General.* The conditions of this subpart apply notwithstanding the existence of an approved cost allocation plan. States that operate with a central data processing facility shall use the approved cost allocation plan billing rates and billing methods in the service agreement with the State agency. The State shall bill the Department, at the approved rates, for the ADP equipment and services used by the individual Department programs.

(b) *Impact on the cost allocation plan.* ADP equipment and services purchased or leased by the State central data processing facility may cause a change to the approved cost allocation plan. (For example, the lease of an additional nondedicated computer.) When a change is necessary, the State shall revise the billing rates and billing methods prior to revising the service agreement.

§ 95.633 Nondiscrimination requirements.

State agencies that acquire ADP equipment and services are subject to the nondiscrimination requirements in Parts 80, 84, and 90.

[45 FR 10794, Feb. 19, 1980]

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EXEMPTIONS

§ 95.641 Exemption from 45 CFR 205.160(a) and 304.24.

The capitalization and depreciation provisions of 45 CFR 205.160(a) and 304.24 do not apply to ADP equipment provided the purchase benefits the Department and provided the Department agrees to the ADP equipment purchase.

§ 95.643 Exemption from 45 CFR Part 74, Appendix C, Part II, C.1.

The requirement in 45 CFR Part 74, Appendix C, Part II, C.1. for prior approval of ADP equipment and services is waived for items that cost $25,000 or less.

PART 99—PRIVACY RIGHTS OF PARENTS AND STUDENTS

Subpart A—General

AUTHORITY: Sec. 438, Pub. L. 90-247, Title IV, as amended, 88 Stat. 571-574 (20 U.S.C. 1232g).

SOURCE: 41 FR 24670, June 17, 1976, unless otherwise noted.

Subpart A—General

§ 99.1 Applicability of part.

(a) This part applies to all educational agencies or institutions to which funds are made available under any Federal [program for which the U.S. Commissioner of Education has administrative responsibility, as specified by law or by delegation of authority pursuant to law.]

(20 U.S.C. 1230, 1232g)

(b) This part does not apply to an educational agency or institution solely because students attending that non-monetary agency or institution receive benefits under one or more of the Federal programs referenced in paragraph (a) of this section, if no funds under those programs are made available to the agency or institution itself.

(c) For the purposes of this part, funds will be considered to have been made available to an agency or institution when funds under one or more of the programs referenced in paragraph (a) of this section: (1) Are provided to the agency or institution by grant, contract, subgrant, or subcontract, or (2) are provided to students attending the agency or institution and the

MONTANA DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
POLICIES AND PROCEDURES ON CLIENT CONFIDENTIALITY

DEFINITIONS   <u>Client Record</u>: a system of information regarding an indivi-

dual client and his or her family which is formally maintained.

Includes any computer or other magnetic records and manual

case file records maintained by the Montana Department of

Social and Rehabilitation Services and its subdivisions.

<u>Department of Social and Rehabilitation Services</u>: for pur-

poses of client confidentiality, the Department of Social

and Rehabilitation Services includes:

1. Employees of the Department including all county, district,

regional and state personnel;

2. Employees or members of official boards, councils or

teams established for purposes of performing duties connected

with the administration of SRS programs; and

3. Persons who contract with the Department or are employed

by organizations which contract with the Department

<u>SRS</u>: Abbreviation for the Montana Department of Social and

Rehabilitation Services.

<u>MCA</u>: Abbreviation for a 10-volume set of books called the

Montana Codes Annotated which contain current Montana laws.

REASONS FOR
THESE RULES   These policies and procedures are established to provide

general guidance regarding safeguarding of client information.

They are not meant to be all encompassing. Individual

program units within the Department may establish more

stringent criteria. Therefore, consult applicable program

manuals for further information on this subject.

If you are uncertain about a particular circumstance in

which you are involved, contact the Legal Services Unit,

Director's Office, Department of SRS.

APPLICATION
INFORMATION

Information required on application forms: all SRS application
forms must state that the information provided by the applicant
is confidential and will be used for purposes directly related
to the administration of the program or related programs.

If social security numbers are requested:

1. Whether disclosure of social security numbers is required
or voluntary;

2. If social security numbers are required, the statute that
gives authority for requiring disclosure;

3. Specific descriptions of the uses to be made of the social
security numbers; and

4. The effect, if any, of not providing all or part of the
requested information.

CLIENT
RECORDS

Possession of SRS Client Records: the client records of the
Department of Social and Rehabilitation Services are the
property of the Department and are to be protected. These
records must not leave the possession of the Department or
its employees. Records must not be removed from the
property of the Department unless necessary. If it is
necessary to mail records, they should be sent under
certified mail.

Maintaining client records: all client records are poten-
tially open to review by the client or other persons. There-
fore, client records should be maintained in an orderly,
formal manner using objective facts as to circumstances and
activities in the case as much as possible. Information

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concerning the Department's evaluations of these facts
will have to be present. These evaluations should be set
apart and stated as objectively as possible.

Penalty for Misuse: it is unlawful to disclose or use lists
or names of public welfare recipients for any purposes not
directly connected with the administration of public assis-
tance or for commercial or political purposes of any nature.
The penalty upon conviction shall be a fine of not less than
$25 or more than $1000 to which may be added imprisonment in
the county jail for any determinate period not to exceed 60
days. (MCA 53-2-105 and 53-2-106) Administrative purposes
include determining eligibility, determining amounts of
assistance, and providing services for applicants and
recipients.

Considerations: there are two factors to consider when
making a determination as to whether to release information
about a particular applicant or recipient. These are:

1. The public's right to know; and

2. The individual's right to privacy.

These two subjects are addressed in Montana's Consitution,
Article II, Sections 9 and 10. The public has a right to
observe and examine how public agencies operate. Applicants
and recipients have a right to know what our rules are and
why we've made certain evaluations of their circumstances.
However, applicants and recipients also have a right to
privacy, and there must be a compelling state interest shown
before any type of information is released that might
embarrass or damage the reputation of the individual or

family involved.

Confidential information includes:

1. Names, addresses and social security numbers of
applicants and recipients of public assistance;

2. Information related to the social and economic conditions
or circumstances of a particular individual;

3. Department evaluations of information about a particular
individual; and

4. Medical data, including diagnosis and past history of
disease or disability concerning a particular individual.

RELEASES OF
INFORMATION

Confidentiality for 3rd parties: individuals who report
possible program abuses by applicants or recipients are
guaranteed anonymity. This is also true upon request
for individuals who refer persons or families for
protective service investigations. Under no circumstances
will the names or identifying information concerning such
individuals be released. Remove all such references prior
to any release of client records.

ROUTINE
RELEASES

Routine Releases of Information: routine releases of infor-
mation can be made without authorization of the applicant or
recipient involved and without special notation in the
client record. This includes (1) information released which is
not and cannot be identified with a particular applicant or
recipient and (2) confidential information released for purposes
directly related to the administration of SRS programs or
directly related to the administration of programs with
compatible purposes. Routine releases of confidential
information can be made under the following circumstances:

1. When the release is within the Department of SRS;

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2. When the release is to federal and state auditors working in their official capacities;

3. When the release is to the Montana Department of Revenue for purposes of investigating the amounts of public assistance (MCA 53-2-501 through 504);

4. When the release is to Child Protective Team members operating in their official capacities (MCA 41-3-108 and 205(2);

5. When other existing laws require the release of information in specific instances; and

6. When the release is to an organization whose programs supplement the programs of the Department, e.g. to Public Health Departments to further provision of the Early Periodic Screening Diagnosis and Treatment Program.

NON- ROUTINE
RELEASES

Non-Routine Releases of Information: any request for release of client records that is not defined as a routine release requires that the following policies and procedures are followed. Two general areas are covered: (1) access to a person's own client records, and (2) access to client records by persons other than the applicant/recipient.

RELEASES TO
THE APPLICANT/
RECIPIENT

1. Access to a person's own client record (includes releases to minor children and releases to legal guardians of adults):

a. The applicant or recipient must supply the following information. It must be-put in writing, signed by the applicant or recipient and filed in the client record.

(1) Name and address;

(2) Types of information to be reviewed, i.e. case record concerning my eligibility for AFDC in 1978;

(3) Date of the request; and

(4) Signature of the requesting party.

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and sent by certified mail. Reasonable fees for the cost
of duplication should be assessed to the requesting pa

(2) If to be reviewed in the same town as an SRS office,

the review should be done in the SRS office and an SRS

representative must be present during the review;

(3) The information reviewed must include only informa-

tion concerning the requestor and/or minor children in

his or her legal custody; and

(4) Certain medical records (as described below under

"Special Circumstances") may have to be withheld from

review.

Upon request, information from the client record can be dupli-

cated by an SRS representative and a reasonable fee assessed

to the requesting party.

(c.) The following information regarding the review m

in writing and filed in the client record:

(1) The date and time of the review;

(2) The type(s) of information that was reviewed;

(3) The type(s) of information that was duplicated;

(4) The name and address of the party to whom infor

tion was released; and

(5) The signature and title of the SRS representat

who supervised the review.

Special circumstances:

(1) Client records containing information on more

one family member:

(a) Adults (including spouses) requesting re

client records concerning other adults in th

family should follow procedures outlined for

to client records by other than the applicar

recipient" unless a legal guardianship has l

established;

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(b) Except for certain medical records, parents or guardians

may review all records concerning children in their   -

legal custody. *Parents or guardians may review their medical records in as provided for in sub (2)*
- If the child is under the legal custody of SRS,

a responsible SRS representative must make the

determination as to whether to allow the parents to

review the child's records.

- If parents are divorced, the parent having legal

custody must give authorization for the other parent to

have access.

(2) Medical records *or psychological* including any reports from physicians,

psychiatrists, psychologists, child development

specialists or other health professionals may require

special treatment. If there are doubts about the extent

of an applicant/recipient's knowledge of such records

and the information is potentially damaging, the

following steps should be followed:

(a) Inform the individual that certain medical

records have been removed from the record;

(b) Ask the individual to sign a release of

information form directed to a *responsible* health professional *of simila stand*

(not a relative) of their choosing; and

(c) Tell the individual that they can make an

appointment with the health professional to discuss

the records.

RELEASES TO
OTHER PERSONS
2. Access to client records by persons other than the

applicant/recipient:

a. The request must be in writing, filed in the

client record and include:

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request original prior release fr' clients in current doctor.

practising in state of MT q' doctors permission

(1) the name of the person requesting the information;

(2) the organization (if any) with whic the person is associated;

(3) the person's (or organization's) address;

(4) the name(s) of the person(s) concerning whom information is being requested;

(5) types of information to be reviewed;

(6) the manner in which the information will be used; and

(7) the date of the request and the signature of the requestor.

b. Applicant/recipient approval for the release:

(1) Provide the applicant/recipient with the information that the requestor supplied in section 2a; and

(2) Whenever possible, have the applicant/ recipient sign a Release of Information form (SRS-AD-___) directed to the requestor and file in the client record. If the applicant/recipient prefers giving verbal authorization, document that the information supplied by the requestor in section 2a was provided to the individual and the date on which approval was given. The SRS representative should then sign, date and provide their title on this documentation and file in the

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client record.

(c) The following information regarding the review must be put in writing and filed in the client record:

    (1) The date and time information was reviewed;

    (2) The type(s) of information that was reviewed;

    (3) The type(s) of information that was duplicated

    (4) The name and address of the party to whom information was released; and

    (5) The signature and title of the SRS representative who supervised the release.

The SRS representative should make clear to any outside party who is granted access to a client record that the release was authorized only for the purposes that the requestor specified (see section 2a(6) above. This must be done either verbally or in writing.

DETERMINING
WHEN TO
RELEASE

Who can review client records:

1. If the applicant or recipient approves a release to a specific party or organization: the record can be reviewed or released as if the applicant/recipient were accessing the record her or himself. If information concerning other family members is present, a release for each individual as specified above must be authorized or the information must be removed from the record prior to review.

2. If the applicant/recipient has not given prior approval for the release: this may occur when there is an immediate need for the information such as when medical treatment or criminal proceedings are

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or recipient, the department will not release information that might be used to damage a recipient/applicant. All releases without prior authorization should be avoided.

- Court Subpoenas - if a court subpoenas a client reco and the recipient/applicant either has not approved tl release or objects to the release, a letter should be written to the court stating the following:

   a. The records of the Department of SRS are confidential by authority of MCA 53-2-105 and 53-2-106;

   b. (Either) this Department has been unable to reach (the applicant's name) to authorize the release of this information (or) (the applicant's name) objects to the release of this information;

   c. A representative of the Department, (representative's name), will deliver the recore to the court on the date specified by the subpoena and will ask permission to be present during all reviews or duplication of th records. However, we ask that the court consid the confidentiality laws which apply to the Department of SRS in requesting this release.

3. Access to client records when the applicant/recipient is deceased: normally access to client records concerning deceased persons is granted unles there is good cause to anticipate damage to a livin(relative as a result.

RELEASES OF COMPUTER RECORDS   A. Access to computer records: if releases of computer records are requested, send a copy of the request to the appropriate supervising program unit, State Office, Department of SRS. The types of records

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requested i.e AFDC records, Medicaid record, social servi‹
records should be specified. The records may be sent
either directly to the applicant/recipient or to the SRS
representative for review
and clarification with the applicant/recipient prior

to release.

*Standard
previously
defined apply.*

5. <u>Releases for purposes of Research Projects</u>: if

there are requests for client confidential

information for research purposes by individuals not

employed by SRS, an evaluation of the circumstances

will be required. Contact an SRS state

office program person, who will in turn talk with

SRS Legal staff for a determination.

REQUESTS FOR
CORRECTIONS

Applicants/recipients who disagree with the infor-

mation contained in their client records, have a

right to request that the records be corrected.

The following proceedures should be followed:

1. The applicant/recipient or his or her

representative must put the request in writing

and include:

    a. The date;

    b. The specific information which is being

    contested;

    c. A statement as to how they want the record

    to be corrected (i.e. the information should

    be corrected to state ". . . " or the infor·

    mation should be removed from the record).

    d. Their signature(s).

2. The SRS representative who receives this reques‹

must make one copy of the request, file the origina‹

in the client record, send the copy of the request

and copies of the client record information which :

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supervising unit for review with SRS legal staff;

3. An initial determination as to whether the client record will be modified must be made within 30 days. Within 7 days of receipt of the request, the SRS representative who received the request must notify the applicant/recipient in writing that an initial determination will be forwarded to them withi 30 days and file this correspondence in the client record;

4. Every effort should be made to resolve the disagreement in a manner acceptable to both parties at this stage. Once a final determination is made, the applicant/recipient must be notified in writing of the actions that will be taken to correct the client record. This correspondence must be filed in client record and include:

    a. Notification that if they are still dis-satisfied, they may request a fair hearing by writing to:

> Hearings Officer
> Office of Administration
> Department of SRS
> Box 4210
> Helena, Montana 59604

    b. Notification that all other SRS records containing this information are being modified;

    c. Notification that the agency is making every effort to notify all other agencies and parties who had prior access to the information that was modified, that the information was in error and how it was corrected.

5. Every effort will be made to contact all parties or organizations who had prior access to the information which was corrected that the information was in error and how it was corrected.

6. If SRS does not correct the information being contested and the applicant/recipient continues to contest the information, a short statement concernii the applicant's/recipient's disagreement with the information must be filed in all records (including computer records) containing that information. Any time the information is released, the applicant's/ recipient's statement must accompany the release.